



Conflict Of Interest Policy

I. Introduction

This policy (Policy) is issued pursuant to, and in compliance with Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments

and in terms of the requirements of the standard licence conditions set out in the Investment Services Rules for Investment Service Providers issued by the Malta Financial Services Authority ("MFSA").

This Policy outlines the minimum standards that XNT LTD. ("XNT") will meet to comply with such Investment Services Rules, guidance notes and best practices (like, as example, published by FINRA, www.finra.org). However, this Policy does not substitute XNT's requirement to observe any additional regulatory requirements when identifying and preventing conflicts of interest.

This Policy is a supplement to XNT's overall general obligation to act with integrity and fairness and maintain the trust and confidence of both its clients and its counterparties.

- I.1. This Policy applies, except as otherwise stated, to every person associated with XNT, its board members, officers, and staff member.
- I.2. XNT conducts its business according to the principle that it must take all appropriate steps to prevent conflicts of interest and, where this is not practicable, to manage any conflicts of interest fairly, both between itself (including its employees and related legal persons) and its clients and between one client and another.
- I.3. This Policy is available to XNT's clients upon request. XNT reserves the right to amend or supplement this Policy at any time.
- I.4. Every employee of XNT is responsible for immediately reporting of possible conflict of interest to Senior Management, who is responsible for identifying, preventing and managing conflicts of interests. XNT shall be responsible to draw up an annual report setting out all conflicts of interest that have arisen in a given year, together with recommendations and suggested procedures to avoid such conflicts in the future, where this is practicable. Such report shall be submitted to the Board of Directors.



2. Identification and general disclosure of the nature of potential conflicts of interest and of their sources

2.1. XNT hereby identifies and discloses a range of 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. Such a conflict of interest may arise if XNT, or any person directly or indirectly controlled by XNT or a client, is likely to make a financial gain, or avoid a financial loss, at the expense of a client. XNT will take all appropriate steps to prevent such circumstances, and where this is not practicable, shall manage conflicts of interest fairly in accordance with this Policy.

2.2. XNT has identified the following circumstances which may give rise to a conflict of interest:

- XNT may provide advice to clients whose interests may be in conflict or competition with other clients' interests;
- XNT, its employees and related legal persons may have an interest that is contrary to clients' transactions, e.g. when clients trade in markets where XNT acts as a market maker or when XNT wishes to invest in the same instrument as a client;
- XNT, its employees and related legal persons may have, establish, change or cease to have positions in securities, foreign exchange or other financial instruments covered by an investment recommendation or advice;
- XNT's account managers may trade in securities or other financial instruments on behalf of the clients knowing that the trades will be beneficial to XNT's, its employees' or related persons' positions in the same instruments;
- XNT 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;
- XNT, its Board members or its management persons may be involved simultaneously in two or more other entities including those under outsourcing service agreements;
- XNT, its Board and/or Senior Management duties are not segregated, e.g. when decision making, supervision and/or execution is performed by the same Board Member or Senior Management.

3. Gifts and entertainment

3.1. No person associated with XNT shall accept/ offer any gift, entertainment, loan or anything else of value from/to any organization or individual if it could be reasonably construed or perceived that the gift is motivated by a wish to influence XNT's activities.



3.2. Gifts (except those generally valued at EUR 100 or less) received from vendors, suppliers, consultants and etc. as part of normal business practice must be declined or shared with the Company generally, and if acknowledgement is appropriate, acknowledged on behalf of the Company. This guideline is not intended to prohibit normal business practices, such as meetings over meals, corporate items given to participants in meetings and conferences, or token hosting gifts, as long as they are of nominal and reasonable value and promote Company's legitimate business interests.

3.3. If an employee believes there is an appropriate reason to make an exemption to this policy for an individual situation, he or she should contact the Compliance Officer prior to giving or accepting the gift.

4. Personal dealing rules

4.1. Fundamental principles for personal dealings

The good name and reputation of XNT depends on the adherence of its directors and employees to certain basic principles:

- you must avoid being in a situation where your personal interest may, or may appear to, conflict with that of the Company's clients and you must subordinate your interest to theirs;
- you must not deal in securities issued by client companies on considerations of a short term nature; and
- you must not deal on the basis of confidential information.

The above rules of conduct translate these principles into practice but you must observe the spirit of these principles even if none of the specific rules as set below applies.

Except where specifically referred to below, these Rules regulate personal dealings and not your dealings on behalf of clients. Personal dealings include those of your spouse, and child under 18 or living with you or in full time education, a company of which you or a related person own or control over 25% of the share capital or voting rights, a trust of which you or a related person are a trustee or beneficiary and a partnership of which you or a related person are a partner. A related person is anyone (including a company or trust) whose investment decisions you are able to influence.

If you contravene these rules of conduct, which will constitute a breach of your contract of employment and will be regarded as a matter of serious misconduct which may lead to your instant dismissal.



4.2. Confidential information and conflicts of interest

You must not deal in securities when you are in possession of confidential information; this applies even if you intended to deal anyway. "Confidential information" includes:

- all information you acquire or learn about from any client;
- all information you acquire as a director or employee of the Company.

Please note that it may be a criminal offence to deal in securities issued by any company while you are in possession of price-sensitive confidential information about those securities or that company (for example, information about a proposed take-over or major acquisition, disposal or contract), and that this applies also if you advise or procure anyone else to deal in securities issued by that company or disclose that confidential information to a related person or anyone else. This rule also refers to the need to ensure that you do not dishonestly conceal any material facts relating to an investment.

You must not disclose confidential information (whether or not it is price-sensitive) to anyone unless he needs to know or see it for legitimate purposes and has agreed to treat it as confidential. Alternatively, if the information relates to or was disclosed by a client, you may disclose it if you have obtained the consent of that client to that particular disclosure and comply with all conditions relating to his consent. In addition, you must not use such confidential information except for the purpose for which it was given to you or if its disclosure to you was unauthorised.

The restrictions in this rule apply to all dealings by you (whether for your own account or otherwise, including dealings on behalf of clients).

You must not deal in any securities if you know or should reasonably be expected to know that to do so would involve you in a conflict of your own interest or that of a related person with the interest of a client or your duty to that client or if it may have a material adverse effect on its financial condition or interests.

4.3. Rules for personal dealings in securities

Any dealings by you in securities on the restricted list shall require prior written consent of the Compliance Officer.

If you are a trustee of a trust you must endeavour to ensure that your co-trustee(s) do not deal in securities without the prior consent which you are required to obtain, unless to refrain from dealing



will constitute a breach of trust. You must endeavour to ensure that the trustee(s) of that trust notify you as soon as practicable after they deal in securities and you must immediately notify the Compliance Officer accordingly.

You must not deal in any securities if the opportunity to do so came to you as a director or employee of the Company unless you obtain the prior written consent of the Compliance Officer to that dealing.

4.4. General dealing rules

You must not deal in any securities issued by a company or fund which is on XNT's "Stop or Restricted Lists", unless you have obtained the prior written consent of the Compliance Officer.

You must not deal in any securities unless you have the resources available to settle or complete the transaction concerned (even if you intend to close it out before settlement) and you must not deal in securities by writing an uncovered option or selling short.

You must not make multiple applications for securities offered under any privatization or other public issues; you must note that to do so may be a criminal offence.

When you deal in securities through a stockbroker or any other person, you must inform that stockbroker or other person that you are a director of or employed by XNT, as appropriate, and you must not request or accept from that other firm any credit or special dealing facilities in connection with the dealing concerned. Related persons who effect transactions must also notify the Compliance Officer.

Although the Company respects your right to keep your dealings and portfolio confidential except as provided in this Policy, it may in exceptional circumstances be necessary to ask for greater disclosure and, indeed, to inspect your dealing records and investment correspondence. You agree that you will forthwith comply with any such request.

5. Preventing conflicts of interest

5.1. In order to prevent possible conflicts of interest, XNT maintains processes, procedures and organisational arrangements, which are referred to hereinafter:

5.2. Critical arrangements of XNT's Policy for preventing conflicts of interest include the following:

- XNT aims at distributing research publications to clients, prospective clients and other third persons



for information and educational purposes as part of its investment management activities and in circumstances in which XNT will not reasonably be expected to have a material influence on a client's or a third person's investment decision;

- All employees are bound by professional secrecy and confidential information is only to be shared if essential for performing a job function. XNT uses internal procedural controls to ensure that where any of its employees, departments or related legal persons are involved in any investment activity that may be in conflict with other activities of XNT, the persons working in such other activities will be restricted from receiving confidential or non-public information.
- All employees are at all times bound to act loyally to XNT and be in full compliance with its procedures;
- All employees receive instructions and guidance regarding preventing of conflicts of interest;
- All clients are to be treated fairly and their orders shall be executed in compliance with the Client Order Execution Policy of XNT;
- Research publications/recommendations are internally distributed exclusively at the same time as they are distributed to clients. Research analysts do not provide trading personnel with advance knowledge of the timing and content of forthcoming publications/recommendations;
- Research publications/recommendations contain information on any material interests or conflicts of interest that XNT or its related legal persons or the research analyst responsible for the publication/recommendation has in relation to the securities or the issuer to whom the publication/recommendation pertains and information on XNT's organizational and administrative arrangements for managing conflicts of interest in connection with such publications/recommendations;
- Trading personnel are not permitted to review sections of publications containing recommendations, research summary, price targets or value recommendations, even to verify factual accuracy, prior to publication;
- All employees are bound by XNT's rules and guidelines for employee trading as in force and effect from time to time;
- XNT has supervisory arrangements in place to provide for separate supervision of employees where this is necessary for the prevention of conflicts of interest. Such arrangements include the segregation of reporting lines and the enforcement of chinese walls to restrict exchange of information;



- XNT monitors internal reporting and the effectiveness of its policies and procedures for preventing conflicts of interest;
- XNT, its employees and related legal persons are expected to report, by way of a written note, conflicts or potential conflicts of interest to the Compliance Officer immediately when they become aware of circumstances leading to such conflict or potential conflict of interest.

6. Registration of conflicts of interest

6.1. Pursuant clause 1.4 of this Policy, every employee of XNT shall report to Compliance directly on any situation which is or may be considered as a Conflict of Interest situation or possible Conflict of Interest situation related to arrangements described in this Policy.

6.2. Such information received by Compliance shall be registered into Conflict of Interest register accordingly and internal investigation shall be initiated in order to determine whether a situation reportable is to be considered as a Conflict of Interests.

6.3. If a Conflict of Interest arises, Compliance is reporting every Conflict of Interest to Board of Directors providing further steps on possible risk minimization process.

7. Disclosure of conflicts of interest

If the measures in place are not sufficient to prevent a conflict of interest relating to a client, XNT will inform the client that it has insufficient controls to prevent the risk of damage, as well as disclose in clear terms the details of the conflict in question and the risks of damage that arise.

8. Training and monitoring

XNT insists that in its dealings with Clients its employees must use the highest standard of integrity in their actions at all times. The induction, ongoing training and monitoring are designed to ensure that all relevant staff is familiar with and observe, inter alia, all applicable rules and procedures in relation to the provision of the service.

9. Review

This Policy shall be reviewed at least once every year, or if a material event occurs, by XNT's Compliance Officer.



10. Interpretation

This policy cannot describe all conflicts of interest situations that may arise involving XNT. Therefore, XNT employees must use good judgment to avoid any appearance of impropriety. Appropriate circumstances may also justify exceptions to the application of the Policy. If you have any questions about this Policy or its application, please err on the side of caution and transparency and seek advice from the Compliance officer prior to entering into such transaction.