



Michael Grech

FINANCIAL INVESTMENT SERVICES

Terms of Business

7th April 2021

General

- These Terms of Business (the “Terms”) together with your completed and signed Confidential Client Fact Find (the “CCFF”, collectively with the Terms referred to as “the Agreement”) govern the legal relationship between you (hereinafter, the “Client”) and Michael Grech Financial Investment Services Limited (hereafter referred to as the “Company”) in respect of the services the Company provides to the Client.
- The Client should read the Terms, and any document referred to herein very carefully. If there is anything that the Client does not understand the Client should discuss this matter with his/ her client relationship manager and seek the necessary clarification.
- The Company’s registered and business office is located at The Brokerage, Lv0-A, Santa Martha Street, Victoria Gozo VCT 2550, Malta and may be contacted on (356) 22587000 or info@michaelgrechfinancial.com.
- The Company may communicate with the Client by electronic mail unless otherwise instructed by the Client. Documents sent by electronic mail (whether or not containing confidential information) will not be encrypted unless specifically requested by the Client in writing. Following such request, the Company and the Client shall agree and implement mutually acceptable encryption standards and protocols.
- It is the Client’s responsibility to protect his/ her electronic system from viruses and other harmful code or device. The Company reserves the right to monitor or access any or all e-mails sent to it.
- Communication between Clients and the Company will be made in either the Maltese or English language. In the case of communication done in more than one language, in the event of inconsistency or discrepancy between the English version and any other linguistic version of any communication, the English language shall prevail. In the event of discrepancy between the terms of this agreement and any other communication, the terms of this Agreement shall prevail.
- The Terms cover the provision by the Company of the following services:
 - Investment Advice
 - Discretionary Portfolio Management Services;
 - Reception and Transmission of orders;
 - Execution of orders
 - Nominee services; and
 - Placement of instruments without a firm commitment basis (each “a Service” and collectively referred to as “the Services”)
- The Terms contain important information regarding the way in which the Company will provide the Services to the Client and the Client’s legal position.
- The Company will provide the Client with a copy of these Terms and the most recent CCFF upon request.

Representations and warranties

- The Client represents and warrants to the Company that:
 - the Client has authority to enter into the Agreement; and
 - any information which the Client has provided or may provide to the Company is complete, up-to date and correct in all respects;
 - in the event that any of the information supplied by the Client ceases to remain complete, up-to date and correct in any respect, the Client shall provide the Company with such revised and updated information without delay; and
 - the Client is the beneficial owner (or if the Client is a trustee, the legal owner) of any investment and cash subject to the Agreement and will indemnify the Company against all claims or demands made by any person in relation thereto.
- The Client confirms that whenever the Client instructs the Company to buy, sell or hold investments:
 - the Client shall not grant, without prior written agreement with the Company, a charge, hypothec, pledge or create any security interest whatsoever over such investments; and
 - the Client shall not, without prior written agreement with the Company, sell, dispose of, deal with or give anyone else any rights over the investments while they are held by the Company as nominee holder.
- By agreeing to these Terms the Client is authorising the Company to deduct or withhold any sum,

which the Company is required or liable to deduct or withhold under the law or practice of any revenue authority in any relevant jurisdiction.

- The Client represents and warrants that he/she is in compliance with and shall comply at all times with any applicable law including Maltese tax and exchange control laws and regulations. The Client further represents and warrants that any foreign currency which forms the subject of the Agreement is money which has lawfully been invested out of Malta and that any necessary authorisations in this respect have been obtained.

Regulation

- The Company's is regulated by the Malta Financial Services Authority (the "MFSA").
- The Company is licensed by the MFSA under the Investment Services Act 1994 and holds a Category 2 Investment Services Licence. The Company provides investment services business in accordance with its licence.
- The Company will provide the Services in accordance with applicable laws, regulations, bye-laws, licence conditions, guidelines, exchange requirements, customs, usages and other provisions or market practices (the "Rules") to which the Company may be subject from time to time.
- If any conflict arises between the Terms and the Rules, the latter shall prevail.
- The Company may provide other services to Clients which are not regulated and do not require a licence by the Malta Financial Services Authority.

Client Categorization

- The Company shall categorise Clients into one of the following three categories-
 - Retail Clients;
 - Professional Clients; or
 - Eligible Counterparty
- The level of protection offered and due to each Client depends on the category assigned to each Client. Different levels of regulatory protection are afforded to Clients within each category. Retail Clients are offered a greater degree of regulatory protection. Professional Clients and Eligible Counterparties are considered to be more experienced, knowledgeable and able to assess their own risk, and are afforded a lower degree of regulatory protection. The Client's categorisation will be identified in the CFF. Should the Client classification change, the Company will inform the Client accordingly.
- The Client may also request (in writing) the Company to change the category in which he/she has been classified. This change may have an effect on the level of protection afforded to the Client. The Company reserves the right to accept or refuse any such request for change in classification.
- The Client agrees to advise the Company in writing of any material changes in the information provided to the Company which may affect the Client categorisation or advice given to the Client in this respect.
- The Company may bring about or enter into transactions with Eligible Counterparties in respect of one or more Services without being obliged to comply with obligations under the Rules and, in this respect, these Terms shall apply accordingly.

Type of Services

Execution Only

- The Company may, as applicable: (i) receive orders from the Client and transmit the orders to a third party for execution; (ii) execute the orders on behalf of the Client; and/ or (iii) market to its Client newly-issued securities or securities which are already in issue but not listed. The Company shall not give any investment advice as to the suitability of the investment. The Company shall be under no duty to monitor, review or advise the Client on any investment made. The Company shall, however, keep records of the transactions made and inform the Client in accordance with the Rules on the transaction executed on the Client's behalf.
- The Company shall, where applicable, provide the above services following an assessment as to whether the product or service is appropriate to the Client.
- In order to be in a position to evaluate whether the product or is appropriate, the Client agrees to provide the Company with information regarding his/ her knowledge and experience in relation to specific products or services.

Advisory Dealing

- The Company shall, where applicable, provide investment advisory service to its Clients suitable to them to achieve their investment objectives. The investment advice provided shall be based on our knowledge in the field, but shall be, in terms of MIFID II and the MFSA Conduct of Business rules, of a non-independent nature on the basis that the company may not have analysed a sufficient wide range of similar securities to that in the recommended transaction/s or course of action and on the basis of the direct relationship the company may have with a number of service providers, including being the local representative of Kames Capital in Malta, where monetary or non-monetary inducement may be forwarded to the company as regulated by the attached annex to this document within the Conflict of interest Policy. As per the same Conflict of Interest policy attached The Company hereby brings to the client attention that the company has been a Representative in Malta for Kames Capital plc. Since 1st January 2011
- The Company will provide the Client with a periodic assessment of the suitability of the financial instrument(s) recommended to that Client at least on annual basis.
- The Company will retain a record of all investment advice given to the specific clients.
- The Client agrees to provide the Company with information regarding his/ her investment objectives, financial situation, knowledge and experience in relation to specific investment services and products. Should any of this information change the client shall inform the Company with these changes so as the Company will be able to reassess the suitability of the financial instrument.
- Should any changes to the client information, either through the periodic assessment or by means of the client providing such information of change result in an updated recommendation this will be communicated to the client in a durable form.
- If the Company determines that, from the information provided by the Client, it does not possess sufficient information to be able to provide investment advice to such Client, the Company shall refrain from providing such service.
- Where the Client has been classified as a Professional Client, the Company is only obliged to ensure that the product or service requested meets the Client's investment objectives.

Discretionary Portfolio Management

- The Company shall, where applicable, provide discretionary portfolio management services to the Client on the investment and reinvestment of Client's money and instruments as well as on the acquisition and disposal of investment for the purposes of achieving the investment objective. The Company shall manage the assets of the Client with a view to achieving the Client's stated investment objective. The Client shall be informed through a durable medium(s) of the type of instruments that may be purchased and/ or sold on behalf of the Client, the type of transactions that may be undertaken on behalf of the Client and any prohibitions in relation thereto.
- The Client agrees to provide the Company with information in relation to his/ her investment objectives, financial situation, knowledge and experience in connection with the specific investment services and products.
- If the Company determines that, from the information provided by the Client, it does not possess sufficient information to be able to provide discretionary management to such Client, the Company shall refrain from providing such service.
- Where the Client has been classified as a Professional Client, the Company is only obliged to ensure that the product or service requested meets the Client's investment objectives and that the Client is able to financially bear any related investment risks consistent with his investment objectives
- The Company shall maintain full and detailed records of all assets and transactions carried out on the Client's behalf.

Nominee Services

- Certain instruments acquired by the Company for and on behalf of the Client may be held in the name of the Company as nominee for and on behalf of the Client. The Company offers this service in order to expedite and facilitate Clients' acquisitions and/ or subscriptions to instruments, consequently the Client should note that in event that he opts out of this service in relation to a particular transaction the order might take longer to process. In the event that the Client opts out of this service the Client will be responsible for the custody arrangements and the Company will accept no liability for the negligence or other default of such third party nominee or custodian as applicable.

Client Profile

Appropriateness Test

- When providing the services outlined above, the Company shall, where applicable, conduct an appropriateness test. Based on the information provided by the Client, the Company shall determine whether the product or service requested by the Client is appropriate. Where the product or service requested by the Client is deemed inappropriate, the Company shall issue a warning to the Client. Such warning shall be issued in writing.
- If based on the information provided, the Company believes it has insufficient information to assess the appropriateness of the product/ service for the Client, the Company shall inform the Client that the Company is not in a position to assess appropriateness.
- The Appropriateness Test is only required to be carried out when a client request, at his own initiative, to invest in a complex financial instrument

Suitability Test

- When providing discretionary portfolio management services and investment advisory services, the Company shall conduct a suitability test. The Company needs to establish that the product/ Service requested: (a) meets the objectives of the Client (including his/ her risk tolerance); (b) is such that the Client is able to financially bear any related investment risks and losses consistent with his/ her investment objectives; and (c) is such that the Client has the necessary experience and knowledge to understand the risks involved.
- Where the Client has been classified as a Professional Client, the Company is only obliged to ensure that the product/ Service requested meets the Client's investment objectives and whether the client is able to financially bear any related investment risks and losses consistent with his investment objectives.
- Where the Service consists in the provision of investment advice to a Professional Client, the Company shall be entitled to assume that the client is able financially to bear any related investment risks and losses consistent with investment objectives of that client.
- In order to be in a position to evaluate such suitability, the Client agrees to provide the Company with information regarding his/ her investment objectives, financial situation, knowledge and experience in relation to specific investment services and products, as applicable.
- If the Company determines that, from the information provided by the Client, it does not possess sufficient information to be able to provide the relevant service to such Client, the Company shall refrain from providing such service.
- The Company may nonetheless execute a trade for the client, should the client wish to proceed with the transaction.
- In the case of investment advisory services, whether it is a buy, sell, hold or switch recommendation, and irrespective of whether the recommendation leads to a trade or whether the Client accepts to proceed with the recommendation, Retail Clients will be provided with a suitability report specifying how the proposed advice meets the circumstances of the Client. This report shall be provided to the Client prior to the execution of the trade and the client is advised to review all the content of the report and to advise the company immediately of any inaccuracy or omission, prior to providing the respective trade order to the company. Where the provision of the report is not immediately possible, the client may choose to either instruct the company to delay the execution of the trade until such time for the company to prepare and submit the report to the client, or to instruct the company to execute the trade and provide the Suitability report as soon as possible thereafter. In this respect, it is hereby agreed that unless specifically instructed otherwise by the client, the client specifically consents for such a Suitability report to be provided by the Company to the client as soon as possible after the execution of the trade. For portfolio management services, the suitability report will form part of the periodic reporting to the Retail Client.
- Where the Company provides investment, advisory services recommending a package of services or products bundled pursuant to the Rules, the Company shall ensure that the overall bundled package is suitable.

Transactions and instructions

- The Company shall exercise due care and diligence in the discharge of its duties and shall carry out its duties in accordance with applicable laws, regulations, bye-laws, licence conditions, guidelines, exchange requirements, customs, usages and other provisions or market practices to which the Company may be subject from time to time.
- Both the Client and Company acknowledge that an investment transaction facilitated by the Company is not deemed to be a loan and the Client's money and Client's assets have not been given on the sole condition of returning as much of the same kind and quality.
- The Client may give instructions to undertake transactions either in writing, over the telephone or facsimile. Transactions, orders or queries undertaken through the telephone and facsimile will be affected in a prompt and timely fashion and to the extent possible, in the order in which they were received.
- All settlement with the clients in respect of investment income, sale proceeds or any account related transactions will be made payable to the clients directly, jointly or individually according to the client instructions of the account holder/s
- Telephone orders need to be followed up with written instructions via electronic mail or by facsimile. In giving written instruction, the Client is authorising the Company to draw up an order confirmation

form based on the transaction communicated over the telephone or facsimile. The Company will not assume liability for any errors if the client fails to provide written instructions via electronic mail or by facsimile.

- The Company shall be indemnified by the Client against all actions, proceedings or claims which may be incurred or sustained from the execution of the order/s taken over the telephone or by facsimile irrespective of the whether the official confirmation order relevant to that transaction was signed or otherwise by the Client.
- The Client or any other person who has been granted power of authority on the client's account and has notified the Company in writing of such authority, may at any time give instructions to alter, modify, amend or revoke Client instructions previously given to the Company by or on behalf of the Client. The power of Attorney's shall remain in full force until either written notice of the revocation is given by the client and acknowledged by the Company or such Authority becomes null and void.
- The Company shall send the Client a contract note or confirmation in respect of each trade effected on behalf of the Client. The Client agrees to review each contract note or confirmation received, and notify the Company of any errors, omissions or objections within fifteen (15) days from the date of the contract note or confirmation. Following the lapse of fifteen (15) days from the date of the contract note or confirmation the Company shall treat any entries or balances therein as final, conclusive and binding.
- The Client agrees that payments made for any transactions are to be settled within the period stipulated in the contract note or relevant documentation. Any failure to meet these obligations within the allowed time frame shall not be borne as a liability by the Company. The Company bears the right to immediately dispose of any unpaid investments of which any differences emanating from this are to be paid up by the Client.
- The Client has the right to inspect the contract notes, vouchers and entries in the Company's books or computerised records relating to his/ her transactions. These records shall be retained for a period of at least ten (10) years.
- The Company may combine the Client's order(s) with order(s) of other Client(s) provided that such aggregation does not operate to the disadvantage of the Client.
- The Client agrees that the Company may, at its discretion, record any telephone conversations or electronic communications between the Client and Company that result or may result in transactions. These records shall be provided to the Client upon request and shall be kept for a period of five (5) years and, where requested by the MFSA, for a period of up to seven (7) years. The period of time for the retention of a record shall begin on the date when the record is created.
- Records of telephone conversations and electronic communications (as set out above) shall always be retained in respect of the reception and transmission of orders and execution of orders.
- The Company shall not incur any liability whatsoever by reason of acting on any such client instructions or for any error in such client instructions and the Client shall indemnify and hold harmless the Company from any loss, cost, damage or expense it may suffer or incur by relying on such client instructions, whether received by letter, telephone, facsimile or other electronic transmission (including electronic mail) or in such other manner as the Company may determine from time to time, and which the Company, in its absolute discretion, has reason to believe to be genuine.
- The Client understands that the Company shall not be held liable as a result of any change in market conditions between the date of the Client's instructions and the execution thereof by the Company.

Best execution policy

- Subject to any specific instructions which may be given by the Client, when executing, placing or transmitting orders on the Client's behalf, the Company will take all sufficient steps to obtain the best possible result for its Client which shall be determined in terms of total consideration (represented by the price of the financial instrument and the costs related to the execution of the transaction).
- Other best execution factors such as speed, the likelihood of execution and settlement, size, nature or any other consideration relevant to the execution, placement or transmission of the order may also be applied by the Company but only in so far as they are relevant to provide the Client with the best result in terms of total consideration.
- The Company's Best Execution Policy is enclosed as Annex 1 to these Terms. By agreeing to these Terms, the Client consents to the Best Execution Policy of the Company.

Client's Money and Assets

- Where investments are held under Nominee with a third party, the Company shall inform the Client of this fact and shall adequately warn the Client of any potential resulting risks.
- The Company may also hold monies belonging to the Client in a "Clients' Bank Account" opened with various central banks, credit institutions, banks authorised in a third countries or qualifying money market funds in accordance with the Rules. The Client agrees that the Company shall have no responsibility to credit interest on the Clients' monies held with the Company.
- The Company has in place adequate arrangements for handling and accounting for the Client's monies and that such monies will at all times be separated from the Company's monies. The Company shall upon receipt promptly place any Client's monies with a credit institution/ securities depository.
- The Company declares that it has in place adequate arrangements for the segregation of the Clients' Bank Accounts from its own accounts.
- The Company shall have no duty or responsibility as regards voting in respect of any investments held by the Company as nominee as regards any subscription, conversion or other rights in respect thereof or as regards any merger, consolidation, reorganization, receivership, bankruptcy or insolvency proceedings, compromise or arrangement or the deposit of any Instruments in connection therewith or otherwise, or as regards any take-over bids, issuer bids, rights offerings or similar events, nor shall the Company be under any duty to investigate or participate therein or take any affirmative action in connection therewith, except in accordance with client instructions and upon such indemnity and provision for expenses as the Company may require.

Reporting to Clients

- When providing portfolio management services, the Company shall provide Clients with a periodic report, in a durable medium, of the portfolio management activities carried out on behalf of a Client and the performance of the portfolio during that reporting period (unless such a statement is provided by another person). These reports shall include, where applicable, the costs associated with any transactions and services undertaken on behalf of the Client.
- The report referred to above shall include, where relevant, any further information set out in the Rules and shall be provided at least on a quarterly basis, except:
 - in cases where the Client has access to an online system which qualifies as a durable medium and the Company has evidence that the Client has accessed a valuation of his portfolio at least once during the relevant quarter, the Company will not need to provide a quarterly report;
 - in cases where in the Investment Management Agreement the Client agrees that reports will be presented on a more frequent basis
 - in cases where the Client elects to receive information about executed transactions on a transaction-by-transaction basis as set out directly below, the periodic report must be provided at least once every twelve (12) months; and
 - with leveraged portfolios, the periodic report must be provided at least once a month.
- The Company shall, in cases where the Client elects to receive information about executed transactions on a transaction-by-transaction basis, provide promptly to the Client, on the execution of a transaction by the Company, the essential information concerning that transaction in a durable medium.
- When providing portfolio management services, the Company will inform the Client where the overall value of the portfolio depreciates by 10% and thereafter at multiples of 10%. In this respect, the Client will be informed no later than by the end of the business day in which the threshold is exceeded or, where the threshold is exceeded on a non-business day, at the close of the next business day.
- When providing portfolio management services to Retail Clients with accounts that include positions in leveraged financial instruments or contingent liability transactions, the Company shall inform the Retail Client where the initial value of an instrument depreciates by 10% or multiples of 10%. Unless agreed otherwise with the Retail Client, the Company will report the above on an instrument-by-

instrument basis and no later than by the end of the business day on which the threshold was exceeded or, where the threshold is exceeded on a non-business day, at the close of the next business day.

- When providing the execution of orders on behalf of a client, the Company shall, as applicable, in respect of that order: (i) promptly provide the Client, in a durable medium, with the essential information concerning the execution of the order; and (ii) send a notice to the Client, in a durable medium with the information required in terms of the Rules, confirming execution of the order as soon as possible and no later than the first business day following execution or, where the confirmation is received by the Company from a third party, no later than the first business day following receipt of the confirmation from the third party. The Company shall also provide the Client, on request, with information about the status of the order.
- When holding Client's money or assets, the Company will send a statement of the portfolio, in a durable medium including all information required in terms of the Rules, at least on a quarterly basis (unless such statement has been requested more frequently by the Client). This statement need not be provided where the Company provides Clients with access to an online system, which qualifies as a durable medium, where up-to-date statements of the Client's money or assets may be easily accessed by the Client and the Company has evidence that the Client has accessed this statement at least once during the relevant quarter.
- The Client agrees to promptly examine all statements and valuations received from the Company and each entry and balance recorded therein and to notify the Company of any errors, omissions or objections to any entries and balances in such statements or valuations, within thirty (30) days from each statement or valuation date (as the case may be), failing which the Company shall be entitled to treat such statements and valuations and any entries and balances therein as final, conclusive and binding.
- Clients will be provided, in accordance with the Rules, with: (i) information on all costs and associated charges, including charges related to investment and ancillary services, the costs of advice and the costs of financial instruments; (ii) the method of payment; and (iii) details of third party-payments (as set out in further detail below). As far as possible, all costs and charges will be aggregated so the Client is in a position to understand the overall cost and the cumulative effect on the return of the investment. Information about costs and charges as aforesaid will be provided to the Client, as applicable, at least on annual basis post-sale in a separate tariff sheet (the "Tariff Sheet").
- The Tariff Sheet will also set out, if any, the fees, commissions and non-monetary benefits which the Company is entitled to receive, in accordance with the Rules, from third parties to enhance the quality of the Services.
- The Company will, where applicable, pay fees, commissions and non-monetary benefits received from third parties to the Client. The Client will be informed accordingly of any such payments as part of the periodic reporting/ statements.
- In relation to reporting and information to be provided to Eligible Counterparties, the Rules provide that Eligible Counterparties may 'opt-out' of receiving certain disclosures in different circumstances. In addition, the Company may agree with Eligible Counterparties different standards for the content and timing of reports/ statements than those required for Retail and Professional Clients.

Joint Accounts

- If the Client's account is held jointly by more than one person then the obligations of each of the joint account holders, under the Agreement shall be joint and several.
- Unless the Company receives notice in writing to the contrary from any one of such joint account holders the Company is hereby authorised to communicate with and act on client instructions of, any one of the joint account holders and Company shall have authority to act on any such client

instructions, without notice to any one or more of the other joint account holders.

- The Company is hereby authorised to send notices, confirmations, statements and communications of any kind to any one of the joint account holders and service of any demand, notice, confirmation, statement or any other communication of any kind shall be deemed to have been duly served on all joint account holders if served on any one joint account holder to the most recent address as appears on the records of the Company.
- In the event of the death of one of the joint account holders, the surviving joint account holders agree to immediately provide the Company with written notice thereof. The death of any joint account holder will affect the rights and obligations of the surviving joint account holders which will be governed by the Civil Code (Chapter 16, Laws of Malta). The Company is authorised, prior to or after receipt of written notice of the death of one of the joint account holders, to take such steps or require such documentation or restrict trades or transactions relating to the joint account as the Company may deem prudent or advisable, at its absolute discretion.
- The estate of any deceased joint account holder shall continue to be liable to the Company jointly and severally for any indebtedness or other liabilities in connection with the joint account.

Conflicts of Interest

- The Company has a Conflicts of Interest Policy which 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 appropriate 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 Client.
- It is understood that the Company or any director, officer or employee thereof may have an interest, relationship or arrangement that is material in relation to any trade effected on behalf of the Client and it is hereby agreed that any person so interested shall be entitled to retain any benefit or profit received and shall not be liable to account therefore to the Client by reason only of such conflict. The Company declares that it has in place adequate internal procedures to ensure that the Client is in all cases treated fairly and that risks of damage to client interests will be prevented.
- The Company undertakes to bring to the Client's attention the conflicts of interest referred above and any other conflicts of interest which may arise with regards to products promoted by the Company or the services provided by its related companies. In the provision of its services, the Company will seek to ensure that it always acts in the Client's best interests.
- The Company shall take the appropriate organizational measures to avoid conflicts of interest. When such measures are insufficient to exclude the occurrence of possible conflicts of interest, the Company must, as a last resort, inform the Client.
- The Company's Conflicts of Interest Policy is enclosed as Annex 2 to these Terms. By agreeing to these Terms, the Client consents to the Conflicts of Interest Policy of the Company.

Prevention of Money Laundering - Client identification and source of funds

- The Company is subject to the Prevention of Money Laundering laws and regulations in force in Malta. The obligations under the laws and regulations include inter alia the identification and verification of clients and the ultimate beneficial owners (where applicable), the retention of the relevant identification and verification documentation and transaction documentation and the reporting of transactions suspected of involving money laundering and funding of terrorism to the Financial Intelligence Analysis Unit in Malta. In this regard, the Company has established appropriate internal procedures to fulfil these obligations which it monitors on a regular basis.
- The Client is required to produce satisfactory evidence of identity and the source of funds to be invested and will be required to provide the Company with documents as part of the evidence being produced.

- The Client represents and warrants that the monies and investments which form the subject of the Agreement and any future additions thereto have not originated and will not originate from activities or transactions which are a criminal offence in Malta or which, if carried out in Malta, would constitute such an offence or comprise property the receipt ownership or control of which would be such an offence.

Risks

Investment Risks

- The price of all investments can go up as well as down and an investor may not get back the amount invested and selling an investment in an inopportune moment may result in a loss.
- Past performance is not indicative of future performance. Investment markets are volatile in nature and it is important that any investment is viewed as long term in nature.

Currency Risk

- An investment may have a base currency other than the Clients' base currency and thus carries with it an element of currency risk which can affect the value of any investment and the income generated therefrom, positively or negatively, including interest or dividend payments. In addition upon the sale or maturity of the Client's investment, the realisable value might be less than the initial outlay when exchanged in the Clients' domestic currency.

Credit Risk

- An issuer of a debt instrument such as a bond may be unable to meet interest and/or principal payments in the future and consequently default on its principal or interest repayments. The longer the term to repayment of principal (maturity), the greater the credit risk.

Interest Rate Risk

- The market value of a bond or other debt instrument may go up or down as a result of a variation in the interest rates.

Political Risk

- The value of the Client's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the asset is exposed.

Other risks

- Investments in certain assets may be subject to specific risks which may or may not affect a particular investment. These risks may include Liquidity risk, Country risk, Political risk and Counterparty risk. The exposure to these risks may change over the course of the investment period, and may affect the value of the Client's investment.
- The Client acknowledges that the risks involved and related to an investment are various and the risks referred to in these Terms constitute a non-exhaustive list.
- The Client declares that he/ she has been provided with sufficient appropriate information to understand the nature and risk of the services being offered pursuant to these Terms.

Risk classification criteria

- The company scales risk as has been determined in the Risk Classification Criteria document which is readily available and the client agrees to this risk classification as set out in this document.

Client Review

- In the case of Clients which are provided with Advisory and/or Portfolio Management services by the Company, such Clients should every 3 (three) months set an appointment with their Client relationship manager to review their portfolio and determine whether any changes should occur thereto. It is during these review meetings that the Client should update their Client relationship manager if a change has occurred to his/her risk level and/or investment objective. Further, during these reviews the Client and the relationship manager will determine if any of the investments have fallen outside the risk profile parameters of the Client any resulting action therefrom.

Tax

- The Client acknowledges that it is entirely the responsibility of the Client to inform himself/ herself as to any taxation which affects him/ her personally. These Terms or any other communication from the Company to the Client does not constitute and should not be considered as legal or tax advice. The Client is urged to seek professional advice as regards both Maltese and any foreign tax legislation applicable to any transaction relating to these Terms. The Company shall not be liable for any loss or damage incurred in connection with any tax consequences to the Client.

Complaints

- In the circumstance were a complaint arises, the Client or a potential client shall inform the Company by visiting any of our branches or writing to the attention of “The Compliance Officer, Michael Grech Financial Investment Services Limited, The Brokerage, St. Marta Street, Victoria, Gozo, Malta, VCT2550”. The Compliance Officer of the Company is responsible for the complaints management function and shall deal with Client’s complaints reasonably, promptly, without charge and in accordance with the Company’s complaint handling policy and procedures. The details of the complaint handling process shall be made available on a durable medium.
- If the complaint is not ultimately handled to the satisfaction of the Client or a potential client after being dealt with according to the Company’s internal complaint handling procedures, then the Client or a potential client may subsequently refer his/ her complaint to The Office of the Arbiter for Financial Services, First Floor, Pjazza San Kalcidonju, Floriana - FRN 1530. Further information may be obtained through the official website: www.financialarbiter.org.mt, Freephone (local calls): 8007 2366 and Telephone: (356) 2124 9245

Investor Compensation Scheme

- The Company is a member of the Investor Compensation Scheme in Malta. The Investor Compensation Scheme pays compensation, subject to certain limits, to eligible consumers if an authorised investment firm fails.
- Further information may be obtained from <http://www.compensationschemes.org.mt>

Charges

- The Client agrees to pay the Company, on demand, its applicable commissions and other fees (including, without limitation to the generality of the aforesaid, any performance and/ or incentive fees) due in respect of the provision by the Company of any of the Services in accordance with the Company’s standard schedule of commissions and fees [Annex 3]. The Company undertakes that all commissions and other fees payable to the Company shall be provided to the Client by means of a durable medium. Where the amount cannot be ascertained, the method of calculating that amount will be clearly disclosed prior to providing the Service. The Company shall, in so far as practicable, notify the Client of any proposed changes in commissions and other fees in good time.
- The Client also agrees to pay the Company, on demand, in addition to its commissions and/ or fees,

any duty, VAT or other tax whatsoever arising in respect of any of the Services provided. The Company shall not be required to give the Client prior notice of the imposition of, or variation in, any duty, VAT or other tax arising in respect of any of the Services.

- The Company's commission and/or fees may be shared between the company, any associated entity and/or any other third party. In addition, the Company may receive remuneration from any other party in connection with transactions entered into for and on behalf of the client and the Company shall be entitled to retain any remuneration so received. Details of such remuneration is as per Schedule of Commission and Fees, forming part of these Terms.

Liability

- Subject to the applicable laws and save where otherwise indicated in these Terms, the Company shall not be liable to the Client for any loss or damage incurred in connection with the subject matter of these Terms howsoever caused unless the Company's conduct constituted fraud, wilful misconduct or gross negligence on its part or on the part of its agents, including the unjustifiable failure to perform in whole or in part its obligations (the "Company's Wrongful Acts").

Indemnity

- The Client undertakes to hold harmless and indemnify the Company against all actions, proceedings, claims, costs, demands and expenses (including all reasonable legal, professional and other expenses) incurred by the Company in relation to such actions, proceedings, claims, costs and demands which may be brought against or suffered or incurred by the Company by reason of its performance or non-performance of its functions or services under these Terms unless due to or caused by the Company's Wrongful Acts.

Data Protection and Confidentiality

- We process your personal data in an appropriate and lawful manner, in accordance with Data Protection Act (Chapter 440 of the Laws of Malta) (the "Act") as may be amended or replaced from time to time, and the General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR" or the "Regulation")
- For detailed information of how we process your personal data refer to the latest Privacy Policy as found on our website www.michaelgrechfinancial.com or provided to you in a durable format upon request.

Clients not residing in Malta

- No person receiving a copy of these terms, or any document pertaining to any service contained in these Terms, in any jurisdiction other than Malta or accessing any of the company's services, in any jurisdiction other than Malta may treat the same as constituting an invitation or offer to them, nor should they in any event use the company's documentation or services unless, in their relevant jurisdiction, such a document or service could lawfully be made to them or such document of service could be lawfully used without contravention of any applicable law in the relevant jurisdiction.

Marketing Material

- The Client agrees to receive direct marketing material related to financial products.
- The Client's has a right to request the Company to refrain from sending any marketing material by informing the Company in writing.

Amendment and Termination

- These Terms shall constitute the entire agreement and understanding between the Company and the Client and supersedes all previous written and/or verbal agreements. For the avoidance of doubt these Terms include all annexes, if any. These terms in their entirety may be amended by the Company by general notice in writing and/or on the company's website or by email to all its clients or to a specific client, and the proposed amendments shall enter into force and form an integral part of this Agreement, on the date mentioned in the amendment notice, unless the Client gives notice in writing or by email to the company that he/she objects to such amendments.
- The Agreement may be terminated at any time by either party with immediate effect upon giving written notice to the other party.
- The Company may designate that the client relationship is terminated should the client fail to fulfil the criteria set out by the Company. The criteria are;
 - Holding of a financial instrument on the Company's nominee Account
 - Ongoing Purchase Transactions in the last 3 years
 - Outstanding monies balances held on Company's Clients Accounts

Should the client fail to fulfil all the criteria the Company can set the status of the client relationship as Deactivated which shall mean the same as that the client relationship and the agreement is terminated. Should a client, who, by virtue of the termination clauses set above, seek to re-establish a relationship with the Company, the client would undergo Onboarding procedures as per the Onboarding Policy of the Company.

Should a relationship see no activity, neither deposit nor withdrawals having been posted to the account for a period of three years (as per the criteria set above), other than for the posting of interest and/or service charges, and the client does not initiate or reply to contact by the Company or its representatives, the Company may, by means of a letter or email sent to the client's registered mailing address with the Company informing him/her of the dormant status set to their portfolio.

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- The termination of the Agreement shall be without prejudice to any other rights or remedies the Company may be entitled to hereunder or at law and shall not affect the coming into or the continuance in force of any provision of the Agreement which is expressly or by implication to come into effect or to continue in effect after such termination.

Schedules

- The provisions of the schedules attached hereto shall form part of these Terms and Agreement between the Company and Client.

Governing law and jurisdiction

- The Agreement shall be governed by and construed in accordance with Maltese law and the parties hereto agree to submit to the non exclusive jurisdiction of the Maltese courts.

Annex 1: Best Execution Policy

1. General Information

- 1.1 Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (“**MiFID II**”), Part BI – Standard Licence Conditions applicable to Investment Services Licence Holders which Qualify as MiFID Firms issued by the MFSA (the “**MFSA Rules**”) and other applicable law, rules and regulations (collectively with MiFID II and the MFSA Rules, the “**Rules**”) establish obligations on investment firms such as the Company with respect to best execution criteria.
- 1.2 The Company is required to comply with best execution criteria or act in the best interests of clients, as applicable, when providing the services of:
- **the reception and transmission of orders:** the Company is required to act in the best interests of its Clients when transmitting client orders to other entities for execution; and
 - **the execution of orders:** the Company is required to take all sufficient steps to obtain, when executing orders, the best possible result for Clients.
- 1.3 The Company shall, as set out in this Policy, take all sufficient steps to obtain the best possible result for the Client by taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution/ transmission of the order (the “**Execution Factors**”). Nevertheless, where there is a specific instruction from the Client, the Company shall follow that specific instruction and, by doing so, the Company will satisfy its obligation to provide best execution in relation to that aspect of the order.

Warning: Any specific instructions from a Client may prevent the Company from taking the steps that it has designed and implemented in this Policy to obtain the best possible results.

2. Scope of Application

Type of Clients

- 2.1 This Policy applies to retail and professional Clients as defined under MiFID II. Unless otherwise stated, this Policy shall apply to Clients in the same way regardless of whether they are a retail client, elective professional client (via an opt-up or opt-down mechanism) or per se professional client.
- 2.2 Entities falling within the eligible counterparty category are generally not entitled to benefit from best execution criteria. Nevertheless, eligible counterparties may request (in general form or on a trade-by-trade basis) to be treated as retail or professional clients, in which case the best execution regime would apply.

Financial Instruments

- 2.3 The investment instruments falling within the scope of this Policy are set out in **Schedule 1** (the “**Financial Instruments**”). Although the best execution criteria shall apply to each Financial Instrument, the Execution Factors may be considered and applied differently to one or more Financial Instruments according to relative importance.

3. Client Categorisation

Retail Clients

- 3.1 In respect of retail clients as defined in accordance with MiFID II, best execution will be determined in terms of the “Total Consideration”. Where the Company executes/ transmits an order on behalf of a retail client, the Total Consideration is the price of the Financial Instrument and the costs related to the completion of the transaction, including all expenses incurred by the Client which are directly related to the execution/ transmission of the order.

Where there is more than one competing venue/ entity to execute/ transmit an order for a Financial Instrument, in order to assess and compare the results for the Client that would be achieved by executing/ transmitting the order on each of the execution venues/ with each entity, the Company’s own commissions

and the costs for executing/ transmitting that order on each of the execution venues/ with each entity shall be taken into account.

Total Consideration is the defining execution factor for retail clients. The Execution Factors will also be considered, but will be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the Total Consideration to the Client.

A summary of this Policy which, in particular, focuses on the total known costs for execution/transmission is available to retail clients upon request.

Professional Clients

3.2 In respect of professional clients as defined in accordance with MiFID II, the Company may take into account the Total Consideration but certain other factors may be more important in determining best execution. The Company will use its commercial judgement and experience in the light of available market information and market conditions at the relevant time in order to achieve the best balance across the following Execution Factors:

- i. **Price and Cost** - This refers to the total consideration or net cost of the transaction to the Client. For instance, when choosing between competing execution venues/ entities, the Company shall also take into account, where relevant, the fees and commissions charged by the Company to the Client.
- ii. **Speed** - The Company shall consider: (i) the significance of completing the transaction quickly; and (ii) whether speed is of equivalent importance to, or more important than, achieving the best possible price.
- iii. **Likelihood of Execution and Settlement** - The Company will consider whether the use of a particular execution venue/ entity involves a risk(s) that the transaction will not be completed. In such a case, the Company will weigh this risk against the relative costs of the transaction on the chosen venue/ with the entity in comparison to other execution venues/ entities.
In certain instances, it may not be possible to place an order for execution. This may, for instance, occur in the following scenarios: the start and close of trading sessions, volatile markets, where there is rapid price movement, where there is insufficient liquidity for the execution of the specific volume at the declared price or a *force majeure* event has occurred.
- iv. **Size** - The Company shall consider the size of the transaction. Large orders may have to be dealt with differently to smaller orders, particularly when large orders could have a potential impact on the market and market price for the investment concerned.
- v. **Nature of the Market for the Financial Instrument** - The Company shall consider the nature of the transaction and the type of market in which the Financial Instrument is traded.
Some factors may affect the price of the underlying Financial Instruments from which the price, quoted by the Company, is derived. These factors may influence the criteria that the Company takes into consideration in order to ensure the best possible result for its Clients. Clients hereby fully and irrevocably accept all risks related to the formation of the Company's price, including without limitation unfavourable changes in the market conditions, and acknowledge that the Company has taken all reasonable steps to ensure the best possible result for its Clients under the current circumstances.
When executing orders in relation to OTC products (including bespoke products), the Company shall check the fairness of the price proposed to the Client, by gathering market data used in the estimation of the price of such product and, where possible, by drawing comparisons with similar or comparable products.
- vi. **Any other consideration relevant to Execution/ Transmission of Orders**, which may include but are not limited to low liquidity and/or high volatility.

The relative importance of the Execution Factors will be determined by reference to:

- a) **the characteristics of the Client including its categorisation as a retail or professional client;**
- b) **the characteristics of the Client order, including where the order involves a securities financing transactions (“SFTs”);**
- c) **the characteristics of the Financial Instruments that are the subject of that order;** and
- d) **the characteristics of the Execution Venues/ Entities to which that order can be directed.**

In each case, the orders will be executed/ transmitted at the best available terms on the basis of the information available at the time.

During times of high demand, delays in processing an order may impact the price and speed at which the order is executed/ transmitted. Furthermore, in the case of any communication or technical failure, as well as any incorrect reflection on the quotes feed, the Company reserves the right not to execute an order or change the opening and/or closing price of a particular order.

4. Execution Venues/ Entities

Execution Venues

- 4.1 **“Execution Venues”** are the locations (with or without a physical presence) such as regulated markets, multilateral trading facilities (“MTFs”), organised trading facilities (“OTFs”), systematic internalizers, market makers, liquidity providers or entities that perform a similar function in third countries to the function performed by any of the foregoing. When executing orders, the Company may use one or more of such Execution Venues to enable it to obtain the best possible result on a consistent basis on behalf of the Client.
- 4.2 In determining the Execution Venue(s) the Company shall:
 - i. assess the Execution Venues available to identify those execution venues that will enable it, on a consistent basis, to obtain the best possible result for executing Client orders taking into account the Execution Factors;
 - ii. not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular Execution Venue which would infringe the requirements on conflicts of interest or inducements set out in the Rules; and
 - iii. not structure or charge commission in such a way as to discriminate unfairly between Execution Venues.
- 4.3 The choice of Execution Venue may vary on ***several factors depending on the Execution Venues chosen. These qualitative factors include clearing schemes, circuit breakers, scheduled actions, or any other relevant consideration, and the relative importance of each factor;***
- 4.4 The Company maintains a list of Execution Venues in relation to each Financial Instrument. This list is reviewed, updated and approved periodically by the Board of Directors of the Company. Selection of the relevant venue or counterparty is made on a case by case basis. The Company will, in accordance with the Rules, summarise and make public on an annual basis, for each Financial Instrument, the top five Execution Venues in terms of trading volumes where the Company executed client orders in the preceding year and the quality of execution obtained.
- 4.5 The current Execution Venues that enable the Company to obtain, on a consistent basis, the best possible result for the execution of client orders are set out in **Schedule 2** in respect of each class of Financial Instrument and for retail client orders, professional client orders and SFTs. The Company reserves the right to include / exclude at its own discretion one or more of the Execution Venues.
- 4.6 Summaries of the selection process for Execution Venues, the execution strategies employed, the procedures and process used to analyse the quality of the execution obtained and how the Company monitors and verifies that best possible results will be obtained for Clients are available to Clients, upon request.

4.7 By consenting to this Policy, the Client agrees and acknowledges that trades may be executed outside a regulated market, MTF or OTF. This may give rise to certain inherent risks (particularly, counterparty risk). A description of these risks is available upon request to the Client.

Entities

4.8 The Company may use one or more entity (“**Entities**”) to which it will transmit orders to obtain the best possible result, on a consistent basis, on behalf of the Client. The Entities shall have execution arrangements that enable the Company to comply with its obligations under the Rules when it transmits orders to those Entities for execution.

4.9 The Company maintains a list of Entities in relation to each Financial Instrument. This list is reviewed, updated and approved periodically by the Board of Directors. Selection of the relevant entity is made on a case by case basis.

4.10 The current Entities that enable the Company to obtain, on a consistent basis, the best possible result for the execution of client orders available upon request in respect of each class of Financial Instrument and for retail client orders, professional client orders and SFTs. The Company reserves the right to include / exclude at its own discretion one or more of Entities.

4.11 Where the Company selects other entities to provide order execution services, the Company will, in accordance with the Rules, summarise and make public on an annual basis, for each Financial Instrument, the top five Entities in terms of trading volumes to which the Company transmitted orders in the preceding year and the quality of execution obtained.

4.12 Upon reasonable request from a Client, the Company shall provide its Clients or potential Clients with information about Entities where the orders are transmitted.

Executing Venues/ Entities

4.13 If the Company applies different fees depending on the type of Execution Venue/ Entity, the Company shall explain the differences in sufficient detail to allow the Client to understand the advantages and disadvantages of the choice of a single execution venue/ entity.

4.14 Where a Client is invited to choose an Execution Venue / Entity, the Client will be provided with fair, clear and not misleading information to prevent the Client from selecting on the basis of price.

4.15 The company shall only receive third-party payments/inducements, if any, in accordance with the Rules.

4.16 In the event that the Company charges more than one participant in a transaction, the Company shall inform its Clients of the value of any monetary or non-monetary benefits received by the Company in accordance with the Rules.

5. Aggregation, Split and Allocation of Orders

5.1 The Company is not permitted to carry out a Client’s order in aggregation with another Client’s order unless the following conditions are met:

- a) it must be unlikely that the aggregation of orders will work overall to the disadvantage of any Client whose order is to be aggregated; and
- b) it is disclosed to each Client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order.

5.2 An order allocation policy is established and effectively implemented, providing in sufficiently precise terms for the fair allocation of aggregated orders and transactions, including how the volume and price of orders.

5.3 The orders of Clients may at the discretion of the Company be aggregated with the Company’s own orders, orders of any of the Company’s associates and/or other Clients, provided the above conditions are met. Furthermore, the Company may split the Client’s orders as well as aggregate orders before executing/ transmitting such.

5.4 Aggregation and split may in single occasions result in the Client obtaining a less favourable price than if the Client’s orders had been executed/ transmitted separately or together, as applicable.

5.5 Where an aggregated Client order is partially filled, allocation to Clients will take place on a strict pro-rata basis. Where a strict pro-rata allocation is not possible (for instance, where this would give rise to fractional allocations), the allocation will be in the best interests of all relevant Clients and any allocation will be undertaken on a fair and reasonable basis.

6. Other Matters

Review of the Best Execution Policy

6.1 The Company will monitor the effectiveness of this Policy to identify and, where appropriate, correct any deficiencies. In particular, the Company shall assess, on a regular basis, whether the Execution Venues/Entities provide for the best possible result for the Client or changes are needed in relation to the arrangements.

6.2 The Company undertakes a review of its arrangements and this Policy at least annually, or whenever a material change occurs that affects its ability to continue to obtain the best possible result for the Client on a consistent basis.

6.3 The Company will inform its Clients with whom it has an ongoing relationship of any material changes to its order execution arrangements and/or to this Policy. Any such changes will come into effect upon notification to the Client.

Consent

6.4 This Policy forms an integral part of the Terms of Business of the Company and/or any other agreement entered into with the Client (the "**Documentation**"). By consenting to the Documentation, the Client is also agreeing to this Policy

6.5 If a Client makes any reasonable and proportionate requests for information (including additional information about this Policy), the Company shall answer clearly and within a reasonable time.

SCHEDULE 1 – FINANCIAL INSTRUMENTS

- i. Transferable Securities: - shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares. - bonds or other forms of securitised debt, including depositary receipts in respect of such securities. –
- ii. Foreign exchange acquired or held for investment purposes.
- iii. Money Market Instruments.
- iv. Units in collective investment schemes.

The Company is also authorised to provide Services (a), (b) and (c) in relation to the following instruments:

- Certificates or other instruments which confer property rights in respect of any instrument.
- Derivative contracts other than options, futures, swaps and forward rate agreements, relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash.
- Forward Rate Agreements:
 - relating to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures which may be settled physically or in cash.

The Company is also authorised to provide Services (a), (b), (c) and (e) in relation to the following instruments:

- Rights under a contract for differences or under any other contract the purpose or intended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of property of any description or in an index or other factor designated for that purpose in the contract.

The Company is not authorised to provide Investment Advice to Collective Investment Schemes.

SCHEDULE 2 – CURRENT EXECUTION VENUES

The Company will execute client orders:

- Directly on a regulated market or a Recognized Investment Exchange
- Through third party/parties with whom an agreement is in place. The company will satisfy itself that the best execution obligation is satisfied.
- Through Fund Management Companies with whom an agreement is in place. The Company will satisfy itself that the best execution policy is satisfied.

The Company reserves the right to use other execution venues, where the Company considers this to be in best interest of the Client. The Company may add or remove any execution venue at its own discretion and the Client shall not be notified separately of any changes to the list of execution venues of the Company. The Company shall provide the Client with an updated list of the execution venues upon request. In relation to some financial instruments, there may be only one possible execution venue. Nonetheless, the Company would be deemed to have satisfied its best execution obligations towards the Client.

In circumstances where the client provides the Company with specific instructions on how an order may be executed, and if the Company accepted then that order will be executed in accordance to the instructions of the client. This circumstance may result in the Company not obtaining the best possible result in execution of the order.

Annex 2: Conflicts of Interest Policy

1. General Information

- 1.1 Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) ("MiFID II"), Part BI – Standard Licence Conditions applicable to Investment Services Licence Holders which Qualify as MiFID Firms issued by the MFSA (the "MFSA Rules") and other applicable law, rules and regulations (collectively with MiFID II and the MFSA Rules, the "Rules") establish obligations on investment firms such as the Company with respect to the management of conflicts of interest.
- 1.2 The Company is establishing this Policy to set 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 appropriate 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.

2. Conflicts Handling Policy

2.1 *Conflicts of interest may arise between:*

- i. the Company (including any director, manager, employee, officer, member of any committee of the Company, tied agent, or 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 or under the control of the Company or through an outsourcing agreement (collectively, the "**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.

3. Identification of Conflicts

- 3.1 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.
- 3.2 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.
- 3.3 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 shall make available any information which is relevant for the Compliance Officer to identify conflicts of interest.
- 3.4 The Company maintains a Conflicts of Interest 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. If the Compliance Officer identifies any conflict 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

- 3.5 In view of the business activities of the Company, 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.

- 3.6 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.
- 3.7 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.

Investment Conflicts of Interest

- 3.8 The Company may face a variety of “standard” conflicts similar to those faced by most investment firms in a similar business to the Company. These include conflicts associated with, inter alia:
 - 3.8.1 personal account trading by staff in securities traded for the Clients;
 - 3.8.2 allocation of transactions amongst different Clients;
 - 3.8.3 favouring certain entities or counterparties over others; and
 - 3.8.4 entertainment or other forms of inducement.
- 3.9 The Company may also face a variety of other conflicts as a result of the nature of the activities which the Company provides. Where there are any conflicting activities, the Company will have conflicts of interest which need to be managed appropriately.
- 3.10 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.

4. Conflicts Prevention and Management

- 4.1 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 conflict of interest.
- 4.2 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.
- 4.3 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 will 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.
- 4.4 Senior management of the Company shall receive, on a frequent basis and at least annually, written reports where a conflict of interest entailing a risk of damage has arisen or, in the case of an ongoing service or activity, may arise.
- 4.5 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.
- 4.6 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 so that he may keep a record of such conflict in accordance with paragraph 3.4 of this Policy.

4.7 Procedures and measures preventing or managing conflicts of interest include:

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.

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.

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.

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.

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.

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.

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 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.

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, if any, of identified staff. 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 Rules and in line with the Remuneration Policy of the Company;
2. variable remuneration of identified staff, if any, is based on the achievement of objectives linked to their functions;
3. Non-Executive Directors are not entitled to any variable remuneration; and
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.

The Company hereby brings to the client attention that the company has been a Representative in Malta for Kames Capital plc. Since 1st January 2011

Best Execution

The Company has in place a Best Execution Policy setting out the procedures adopted by the Company to ensure that the Company takes all sufficient 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.

Payments

Gifts or other Forms 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.

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.

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.

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. Clear communications of the policies, procedures and expectations shall be duly communicated to all parties concerned 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.

Disclosure to Clients

Where the potential risk cannot be effectively managed with reasonable confidence to prevent the risk, the Company shall, as a last resort, clearly disclose, in a durable medium, the specific conflict/s of interest to its Clients in writing so that the Client may make an informed decision about whether to deal with the Company

in the particular circumstances. To this end, the Company will, to the extent possible, make use of the specimen conflicts disclosure document set out in Schedule 1. The Compliance Officer shall be responsible to ensure that the disclosures are fair, clear and not misleading.

Outside Business & Other Directorships

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 conflicts of interest, or a potential conflicts 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.

4.8 If any Relevant Person 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.

5. Reporting of Conflicts of Interest

5.1 Where a possible conflict of interest has been identified, a staff member shall initially refer such conflict of interest to his immediate supervisor to assist in the assessment of a material risk of damage. The staff member shall send the necessary notification, together with full details, to allow regulatory scrutiny, of:

1. corrective and preventive actions;
2. how these actions were considered appropriate;
3. any conditions imposed; and
4. whether there are still ongoing conflicts, how these are being managed and advised to the Client.

6. Monitoring and Review

6.1 The Compliance Officer is responsible for the monitoring of the effectiveness of the policies and procedures to handle conflicts of interest.

6.2 This Policy shall be assessed and periodically reviewed at least on an annual basis. The Compliance Officer is responsible for the maintenance/ review of this Policy and shall address and take all appropriate measures to address any deficiencies.

6.3 This Policy has been approved by the Board of Directors of the Company. Any material updates to this Policy shall be discussed with the Compliance Officer and approved by the Board of Directors.

SCHEDULE 1 – CONFLICT DISCLOSURE FORM

Name:	
Type of Conflict of Interest:	
Conflict of Interest: - Nature/ Source(s) of the Conflict of Interest - Risks to the Client	
How did the Conflict of Interest arise?	
Potential Mitigating Controls to Resolve the Conflict of Interest:	

Annex 3: Schedule of Commissions and Fees		MGFIS LTD COMMISSION
INVESTMENT CHARGES		
Local Stockbroking		
Bonds		0.40%
Shares		1.00%
<i>A minimum fee of €11.50/\$20.00/£15.00 applies</i>		
<i>Charges levied by the Malta Stock Exchange also apply</i>		
<i>Other related bank charges incurred may also apply and are charged at cost</i>		
International Stockbroking		
Bonds		1.00%
<i>A minimum fee of €60/\$60.00/£60.00/A\$80/C\$80 applies</i>		
Shares		1.00%
<i>A minimum fee of €50/\$50.00/£50.00/A\$70/C\$70 applies</i>		
<i>Other currencies on request</i>		
<i>Stamp duty charges and other exchange fees on shares transactions may also apply on selected international equities</i>		
Collective Investment Schemes		
Varies per fund		up to 3.00%
Retrocession fees on CIS*		up to 0.35 bp p/a
<i>* The company is entitled to receive, from third parties, inducement and retrocession fees and non-monetary benefits which are used to enhance the quality of the Service to its clients.</i>		
Insurance [As Tied Agents with MSV Life]		
Investment Plans		as per MSV Tariffs*
Savings Plans		as per MSV Tariffs*
Protection Plans		as per MSV Tariffs*
Retirement Plans		as per MSV Tariffs*^
<i>*Tariff sheet obtainable free of charge, on request from our offices</i>		
<i>^Government Tax Rebate applicable. Current rates obtainable on request from our offices</i>		
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SERVICE CHARGES	
Nominee Service Administration Fees	
Safe Custody fees per line of stock	EUR 10.00 p/a*
*The fee is charged quarterly on all holdings held on nominee as at the 1st of January, 1st April, 1st July, 1st October of each year. This fee will be collected automatically from income generated from investments. The company reserves the right to invoice clients for unclaimed fees. This fee also covers the following services:	
<ul style="list-style-type: none"> i) Custody Fees incurred ii) Administration of all corporate actions iii) Licensing fees incurred for providing nominee services iv) Charges incurred in the maintenance of service for investments 	
Dividends & Interest Payments	
Processing of dividends & Interest*	EUR 1.50
Bank transfer for EUR payments	EUR 1.00**
Bank transfer for non-EUR payment to BOV account	EUR 1.00**
Bank transfer for non-EUR payment to non-BOV account	EUR 5.00**
Cheque issue charge	EUR 4.00**
* Include bank charges and broker charges incurred relating to the collection of dividend/interest	
**in addition to the Processing fee	
Pledging of holding	EUR 20.00 per holding
A maximum fee of EUR 100.00 applies	
Release of Estate Charges	EUR 10.00 per holding
A minimum fee of EUR 150.00 applies	
Transfer of holding held on nominee to other brokers*	EUR 150.00 per holding
* under client instructions only	
MSE Transfer of ownership of holding	EUR 25.00 per holding
Division of Portfolio	EUR 10.00 per holding
A maximum fee of EUR 100.00 applies	
Issue of Withholding tax certificate*	EUR 5.00 per certificate
* waived for clients of the company	
Stop payment and re-issue of bank cheques	EUR 10.00
Settlement Cheques Returned Unpaid	EUR 60.00
OTHER CHARGES	
Preparation of Correspondence letters not resulting in commission payment	EUR 15.00
Completion of Forms relating to tax, pension, Insurance policies etc. (not generating commission)	EUR 15.00
Provision of Advice (not generating commission)	EUR 30.00 per hour
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