

## CONFLICTS OF INTEREST POLICY

### CM-EQUITY AG

### VIVID INVEST GMBH

*Pursuant to the requirements of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and its associated texts (hereinafter referred to as "MiFID II"), relating to the obligation for investment service providers to establish an effective written and operational policy for managing conflicts of interest, CME has established this policy for the identification, prevention and management of conflicts of interest adapted to its nature, size and organisation, which is also applied by Vivid in its capacity as a tied agent acting on behalf of CME.*

#### INTRODUCTION

At CME/Vivid, we believe the best way to build and to maintain trust is to conduct every element of our business according to the highest standards of integrity.

We are committed at all times to ensuring our business is conducted to the highest of standards and in an ethical manner. CME and Vivid maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, assess, mitigate and manage potential and actual conflicts of interest, or the appearance thereof.

#### WHAT IS A CONFLICT OF INTEREST?

A Conflict of Interest is any situation where 2 or more opposing business/personal interests arise during the servicing of you that have a negative effect on the provision of these investment services and products to you. Inducements received and paid, monetary and non-monetary, will also fall under these Conflicts of Interest. Any conflicts of interest between CME and Vivid, employees, directors, clients or other parties need to be identified by us and managed in a proper way. A Conflict of Interest could take many different forms, and potential identification needs to be actively undertaken by employees of CME and Vivid.

Here are some potential events that could be labelled as a Conflict of Interest:

- When CME has proprietary positions in investment products when at the same time having information about potential future client orders in relation to that financial instrument that are not used for hedging purposes of client orders;
- Incentives to favour the interest of one group of clients over the interests of another client or group of clients;
- When a client has an interest in specific financial instruments and one or more of the employees of CME or Vivid engage in personal account dealing in respect of these financial instruments

## WHAT WE DO TO PREVENT CONFLICTS OF INTEREST

CME and Vivid have a set of policies and procedures in place to properly manage any (potential) Conflicts of Interest. The management teams of CME as well as Vivid are closely monitoring the correct application of any Conflict of Interest preventing measures. The main steps we take in relation to (potential) Conflicts of Interest are the following:

### **Step 1: Identification of a (potential) Conflict of Interest**

CME and Vivid must Identify potential personal and organisational conflicts of interest that may arise as part of employment with Vivid and/or in the provision of financial services and related activities (e.g. outsourced activities).

### **Step 2: Registration of a (potential) Conflict of Interest**

After identification of a (potential) conflict of interest, the (potential) conflict of interest is registered in the Conflict of Interest register.

### **Step 3: Assessing Conflicts of Interest**

Depending on the type of conflict, all identified and registered conflicts of interests are assessed by multiple experts within CME/Vivid.

New and existing (potential) conflicts of interest will be assessed:

- During (periodic) (integrated) risk assessments;
- During (periodic) product approval processes;
- During onboarding of new Employees;
- Ad hoc (triggered event; identification, reporting).

### **Step 4: Management of conflicts of Interest**

For all identified conflicts of interest adequate measures should be taken to, most importantly, prevent your interests to be affected.

Measures for example could include:

- an appropriate segregation of duties;
- establishing information barriers;
- thorough selection and management of (potential) business partners including an assessment on any conflicts of interest that may arise;
- establishing adequate procedures for transactions with Related Parties.

If no adequate measures are available to ensure your interests are protected, there are two options:

- in principle a conflict of interest must be resolved by declining to act.
- If not, as a matter of last resort a conflict of interest should be disclosed fully to you before engaging in a business relationship with you.

○ **OTHER RELEVANT MEASURES TO PREVENT CONFLICTS OF INTERESTS**

○ Next to the management of Conflicts of Interest, additional specific measures have also been put in place:

● **Close monitoring of External Business activities/Ancillary Functions**

○ This applies to all CME and Vivid employees and directors. It also takes into account any outside business interests that might lead to Conflicts of Interest arising.

● **Close Monitoring of Gifts & Entertainment: Inducements**

All Employees and entities associated with CME and Vivid must not accept gifts from, or provide gifts to, any individual or firm with whom they conduct, or intend to conduct, business on behalf of CME and/or Vivid, unless it can be demonstrated that doing so creates no conflict of interest or the appearance thereof.

● **The use of internal and external Information Barriers**

CME and Vivid have established procedures known as 'information barriers', to ensure the integrity of various business areas, to isolate potential conflicts of interest and to ensure we are properly operating with your interests being preserved at all times.

An information barrier is an arrangement where information - personal, price sensitive, commercially sensitive, or other confidential information that may cause a conflict of interest - known to persons in one or more parts of the organisation(s), is not available to persons in other parts of the organisation or to outside persons.

● **Close monitoring of Inducements**

CME and/or Vivid are not providing:

- investment advice,
- discretionary portfolio management nor
- creating investment research
- Underwriting/placement services

If, for example due to the introduction of new services/products, one of these activities will be undertaken by CME and/or Vivid or otherwise an inducement is received or paid, a thorough assessment, before acceptance and management of any inducements (paid/received) will follow.

● **Close monitoring of Personal Transactions**

Requirements relating to personal transactions causing a potential conflict of interest are captured in the Personal Transactions Policy applicable to CME and Vivid employees.

● **Remuneration restrictions for employees**

Remuneration restrictions are applied to all Employees of CME and Vivid that are involved in the Manufacturing and Distribution of investment services and the day-to-day order handling and execution of your orders. The restrictions (e.g. no financial incentives/bonuses for sales employees) are imposed to prevent remuneration causing a potential conflict of interest.