

PLASMA ENTERPRISES LIMITED

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Policy of Conflicts of Interest

Introduction

PLASMA ENTERPRISES LIMITED ("PLASMA") is a full-licensed investment services firm offering a range of investment services including execution services and transmission of orders to third parties or PLASMA Group companies for execution.

The PLASMA Group is currently being reshuffled (please see information on our Web-site).

PLASMA operates its business on the principle that it must manage any conflicts of interest between itself, including employees, associates and other Group companies, and clients, and between one client and another, in a fair and commercial manner.

This document is designed to provide clients with a high level summary of the underlying conflicts of interest policies and arrangements within PLASMA.

Conflicts Management Conditions

PLASMA maintains and operates organizational, procedural and administrative arrangements designed to identify and manage actual and potential conflicts. These arrangements form part of the reasonable steps PLASMA has taken to prevent conflicts of interest from adversely affecting the interests of clients. For the purposes of conflicts management, clients include existing clients of PLASMA and may include potential clients seeking to conduct specific services or activities with PLASMA.

Specific conflicts management arrangements include, but are not limited to:

- **Information Barriers:** FPUK has physical arrangements and procedural policies restricting the flow of information ("Chinese Walls") between different areas within PLASMA and other entities and affiliates within PLASMA Group. These Chinese Walls are designed to prevent improper access to client information or other types of sensitive information e.g. Inside Information. The Chinese Walls are also designed to enable PLASMA to conduct client business without being influenced by information held within other parts of PLASMA, or PLASMA Group that could result in a potential conflict of interest.

- **Order Management:** PLASMA has a policy in place governing client order priority, whereby all trading on behalf of PLASMA, including principal and proprietary trading, and on behalf of its clients should take place fairly and in due turn so as to avoid a potential conflict of interest.

- **Personal Account Dealing ("PAD") and Outside Business Interests:** Relevant employees of PLASMA are subject to PLASMA's PAD policy. A key feature of the policy is to ensure that there are no potential conflicts of interests between the employee's PAD and that of PLASMA's clients or PLASMA itself.

PLASMA employees are also required to declare certain Outside Business Interests.

- **Management of Security Offerings:** PLASMA has a policy to address the various conflicts of interest that can arise during the management and distribution of a securities offering on behalf of an issuer. The policy deals with conflicts of interest present in such transactions by covering, for example, PLASMA's dealings with the issuer and allocation principles for investor clients.

- **Research Independence and Dealing Ahead Restrictions:** PLASMA has a policy in relation to the publication of impartial investment research i.e. research that PLASMA holds out as being an impartial assessment of the value or prospects of its subject matter.

PLASMA has implemented various measures to ensure the integrity of research production wherever it is produced by investment analysts. PLASMA has also implemented arrangements designed to prevent dealing ahead of the publication of such research.

Internal and Group Organization: PLASMA's activities are organized in a manner so that various business areas within PLASMA operate with an appropriate level of independence from one another. The level of independence also extends to PLASMA's activities and structure within the PLASMA Group. The internal and Group reporting lines and supervisory oversight regime in PLASMA and the Group also ensures the appropriate structure is in place for the management of any conflicts of interests and, where appropriate, the escalation of conflicts to senior management.

Record Keeping: PLASMA maintains adequate records for actual and/or potential conflicts of interest and other relevant information identified.

There may be circumstances where the arrangements that PLASMA has in place with respect to conflicts management are insufficient to entirely cure a particular conflict of interest. In these circumstances PLASMA may, in the best interests of a client, disclose the potential or actual conflict of interest to the client. In some situations, PLASMA may decline to act where a conflict of interest may damage the interests of a client.

Identification of conflicts of interest

The circumstances which should be treated as giving rise to conflicts of interest include all cases where there is:

1. a conflict between the interests of PLASMA, an individual member of staff, certain persons directly or indirectly connected to PLASMA or PLASMA Group; and the duty that PLASMA owes to a client; or

2. a conflict between the differing interests of two or more clients, as PLASMA owes a separate duty to each of them.

Conflicts may arise and all staff must take into account whether any of the persons described at point 1. above:

- A. is likely to make a financial gain, or avoid a financial loss, at the expense of the client;

- B. has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;

- C. has a financial or other incentive to favor the interest of another client or group of clients over the interests of the client;

- D. carries on the same business as the client; or

E. receives or will receive from a person other than the client an 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.

Reporting conflicts of interest

Conflicts of interest situations or potential conflicts situations should be reported immediately by email to the head of the relevant business unit and to PLASMA's Compliance Officer.

Inducements and gifts

No employee may accept from, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in all the circumstances. Employees may not accept gifts from, or provide gifts to, an individual or firm with whom they conduct, or intend to conduct, business on behalf of PLASMA unless it can be demonstrated that no conflict of interest is created by doing so.

Entertainment provided by an employee must fall within the expenses policy of PLASMA and should not create any conflict of interest. Entertainment accepted by an employee should be appropriate and the acceptance of such entertainment should not create any conflict of interest. This rule applies even if the direct recipient of the gift or other benefit is the spouse or a child of the employee. The provision or acceptance of gifts and entertainment should be consistent and proportionate with the corporate relationship.

Personal account dealing

Employees may only undertake personal investment activities that do not breach applicable law or regulation, do not unduly distract from their employment responsibilities and do not create an unacceptable risk to the company's reputation. Transactions should also be free from business and ethical conflicts of interest. Employees must never misuse proprietary or client confidential information in their personal dealings and must ensure that clients are never disadvantaged as a result of their dealings.

PLASMA's PAD Policy has been established to ensure that personal account dealing by members of staff comply with this policy. This includes a requirement for pre-deal approval from the independent Compliance function for investments in market traded shares or stocks, debt instruments, warrants or depositary receipts, options or futures and contracts for differences on securities. Specifically, dealing is prohibited in certain situations, including investment in any security or in-house fund where the employee is party or privy to the pricing of that security or in-house fund.

Investment recommendations

There is total independence between investment recommendations and the remuneration of PLASMA employees. PLASMA employees rely on a policy of independence from its providers of investment research and analysis. This is to ensure that when they make investment decisions/recommendation they are not influenced by any external factors.

Any investment recommendations must be fully documented so that any potential conflicts of interest are disclosed at the time and PLASMA can document how it intends to avoid or manage the conflict with regard to all the facts known at that time.

Managing conflicts of interest

It may not be possible to prevent conflicts of interest from arising. In that case, PLASMA will endeavor to manage the conflict of interests by:

- (i) disclosure to the client;
- (ii) establishing an information barrier (Chinese wall);
- (iii) declining to provide the service.

Disclosure to the client

PLASMA will clearly disclose the general nature and source of the conflict of interest to the client before undertaking business for the client. The disclosure will be made in writing and include sufficient detail to enable the client to take an informed decision about the service in the context of which the conflict of interest has arisen.

Chinese walls

When PLASMA establishes and maintains a Chinese wall, it is creating an information barrier. Essentially this requires information held by one part of the business to be withheld from, or not used by, persons in another part of the business. The use of a Chinese wall will be established and enforced by the Compliance officer. It will include the segregation of data and computer systems, as well as physical segregation of staff so that they are unable to access the same part of the office.

Declining to provide the service

If it is not possible to avoid or manage a conflict of interest PLASMA may have no choice but to decline to provide the service requested.