



POLICY FOR MANAGING THE EXISTING AND POTENTIAL CONFLICT OF INTERESTS IN FREEDOM FINANCE JSC

**(APPROVED BY THE DECISION OF THE BOARD OF
DIRECTORS, AS OF 01/26/2024)**

CONFLICT OF INTERESTS AND IDENTIFICATION

Definition of a Conflict of Interests

A **conflict of interests** is the presence of activities, interests or relationships that may negatively affect the interests of the Company.

Threats, in Case of Improper Management:

An unadjusted conflict of interests threatens the Company, including its reputation, and may lead to regulatory actions.

Conflict of Interests Management:

A conflict of interests is not a violation, if measures are taken to disclose, identify, assess and manage it.

Persons Involved in the Conflict of Interests:

Management bodies, related parties, officials and employees of the Company.

CONFLICTS OF INTERESTS

Conflict Situations:

- Conflict of interests of clients
- Transactions with officials and their related parties
- Receiving benefits by the Company's employees from counterparties
- Transactions at non-market prices
- Providing advantages to one client to the detriment of another
- Abuse of an official position for personal benefit

The following are not a conflict of interests:

- Work of a related party, in the absence of functional subordination
- Transactions on standard terms
- Transactions between clients through a trading system
- Recommendations of clients to the third party, with receipt of remuneration

Priority of interests:

The Company puts the interests of its clients first. In the event of a conflict between an employee and the Company, the interests of the Company take priority.

Main participants of the system of managing the conflict of interests of the Company and their responsibilities:

Board of Directors of the Company:

- Approves the Policy.
- Controls organization and effectiveness of the conflict of interests management.

Compliance Unit:

- Develops a methodology for managing the conflict of interests.
- Conducts expertise of internal documents.
- Receives and analyzes information on conflicts of interests.
- Participates in internal investigations and audits.
- Develops training programs and consults employees.
- Submits a report on conflicts of interests to the Board of Directors.

The Management Board of the Company:

- Responsible for ensuring that the Company's activities comply with the law.
- Organizes systems for managing the conflict of interests.
- Identifies and minimizes potential conflicts.
- Controls exceeding of authorities by officials and employees.
- Reviews reports on the conflict management.

Security Service:

- Conducts internal investigations to identify and prevent conflicts.
- Interacts with law enforcement agencies.

Main participants of the system of managing the conflict of interests of the Company and their responsibilities:

Legal Department:

- Conducts expertise of internal documents and contracts for conflicts of interests.
- Maintains up-to-date lists of related parties and insiders.

Risk Management Department:

- Participates in the work of the conflict management commission.

The Company Officials:

- Comply with the principles of managing a conflict of interests, when making decisions on issues under consideration, and promptly report on the conflict of interests.
- Abstain from participation in resolving the issues of the conflict of interests.

Human Resources Department

- Introduces new employees with the Policy, upon hiring.
- Maintains records and protects employees' personal data.
- Participates in disciplinary measures for violations.

Internal Audit Department:

- conducts audits on effectiveness of internal control systems, in terms of managing conflicts of interests in the Company

The Heads of the Units:

- Identify and minimize the risks of conflicts of interest.
- Ensure compliance with the Policy and employee training.

All Company Employees:

- identify situations that may lead to a conflict of interests.
- proceed from the priority of the interests of the Company and its clients over their own and avoid violating the rights and the legitimate interests of the Company and its clients, when performing their job duties
- promptly report on the conflicts of interests

MEASURES AIMED AT MANAGING THE CONFLICT OF INTERESTS

The process of managing the conflict of interests includes the following stages:

- Conflict prevention – measures to prevent conflicts.
- Identification and assessment – continuous monitoring and assessment of potential conflict situations.
- Resolution – measures for full and prompt resolution of the conflict.

Main measures to prevent a conflict

- **Compliance with the requirements** of the legislation and internal documents, when providing services and making transactions.
- **The organization structure** with a clear delineation of responsibilities and powers.
- **Collegial bodies** – ensuring independence in decision-making.
- **Double-check of transactions.**
- **Protection of confidential information** and delimitation of access to data.
- **Rules for transactions with securities.**
- **Disclosure of information on conflicts.**

Rules of conduct for officials and employees

- **Compliance with the legislation** and internal documents.
- **Abstention from actions leading to conflicts.**
- **Exclusion of illegal activities.**
- **Compliance with the procedure for transactions.**
- **Updating information on related parties.**
- **Disclosure of information on activities** and pendent disputes.
- **Reliability of reporting.**
- **Preventing the use of confidential information for personal purposes.**
- **Responding to negative information.**
- **Compliance with professional ethics.**

MEASURES AIMED AT MANAGING THE CONFLICT OF INTERESTS

Preventing Conflicts of Interests Between the Company and Employees

- **Compliance with ethics of business communication.**
- **Disclosure of conflicts:** promptly notify the Management and the compliance unit about potential conflicts of interests.
- **Disclosure of financial interests:** report on significant financial interests in organizations with which the Company conducts or plans to conduct business.
- **Abstaining from conflict actions:** avoiding actions that affect relationships with organizations where there are financial interests.
- **Permission to participate in other companies:** obtain prior permission to participate in management of other companies.
- **Disclosure of secondary employment:** notify about intention to work secondarily and provide confirmation of absence of a conflict of interests.

MEASURES AIMED AT MANAGING THE CONFLICT OF INTERESTS

Preventing Conflicts of Interests, When Providing Services on the Securities Market

- **Identifying conflicts of interests:** potential conflicts are identified before providing services to the client.
- **Measures to eliminate conflicts:** priority of the client's interests, possible refusal of conflict transactions.
- **Transactions on the client's instructions:** transactions with financial instruments are carried out only on the basis of the client's instructions, except as otherwise permitted by applicable law or agreement.
- **Strict execution of the client's instructions:** according to the instructions, professionally and promptly.
- **Honest attitude towards the client:** avoiding taking advantage of the client's lack of information, equal treatment of all clients.
- **Informing about risks:** communicating to the client all necessary information and risks associated with transactions.
- **Information barriers:** creating barriers between units to prevent conflicts.
- **Restricting access to information:** access to confidential information is limited for certain employees.
- **Other measures:** implementation of other measures provided for by the Company's Policy to eliminate conflicts of interests.



Actions, in case of a conflict of interests:

- **Client notification:** informing the client about potential conflicts, before the transaction is completed.
- **Notification to the compliance unit:** employees are required to report all cases of potential conflicts, not later than the end of the business day.

Restrictions on employee actions:

- Not make transactions in personal or the Company interests before executing a client order.
- Avoid excessive frequency of transactions that do not correspond to the client's instructions, for best execution.

MEASURES AIMED AT MANAGING THE CONFLICT OF INTERESTS

Main Methods of Resolving Conflicts of Interests:

- Changing or refusing a transaction/service/product that causes a conflict of interests.
- Providing information about a non-excluded conflict of interests.

Creation of a Commission for Resolution of Conflicts of Interests

- The commission is formed to consider cases of conflicts of interests, involving employees or officials.
- The decisions of the commission are communicated to the executive body and, if necessary, to the Board of Directors.

Measures for Managing Conflicts of Interests, in Relation to Employees:

- Restricting access to confidential information.
- Voluntary refusal or temporary suspension from participation in decision-making.
- Changing job responsibilities and powers.
- Refusal from personal gain that caused a conflict of interests.
- Removal from access to information, if there is a high probability of a conflict of interests.
- Termination of an employment contract or dismissal at the initiative of the Company for violation of work duties.

The Policy is Not Limited to the Measures Listed, and Other Methods of Resolution May be Applied in Each Case.

REQUIREMENTS AND RESTRICTIONS RELATED TO EMPLOYEES AND OFFICIALS OF THE COMPANY

Priority of the Company's and Clients' Interests

Employees and officials shall prioritize the interests of the Company and clients over their personal interests.

Prohibition of Influencing Business Decisions, in Case of a Conflict of Interests

Employees may not participate in or influence business decisions, in the event of a conflict of their personal interests with the interests of the Company.

Restrictions on Transactions with Financial Instruments

- Employees are required to exercise prudence and avoid personal investments that may damage the Company's reputation or cause a conflict of interests.
- Transactions with financial instruments that violate the law and the Company's internal documents, as well as the transactions, using insider information, are prohibited.