

# CONFLICTS OF INTEREST POLICY



Approved by:	GND Advisory Management
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References to external policies:	Directive 2014/65/EU of the European Parliament and of the Council on markets and financial instruments Regulation (EU) 2017/565 of 25 April 2016 Regulation EU No 596/2014 of 16 April 2014 on market abuse (Market abuse regulation)
References to internal policies:	Business Code of Conduct and Ethics Risk & Compliance Policy

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## 1. The Firm

GND Advisory is an autonomous investment advisory firm registered in the Republic of Lithuania. The records of GND Advisory are kept at the State Enterprise Centre of Registers.<sup>1</sup> GND Advisory ("GND") and each of its majority-owned subsidiaries (together with GND, the "Firm") conducts its operations in compliance with the EU and Lithuanian Law, Regulations, and its internal Code of Conduct.

## 2. Objectives

The purpose of this policy is to establish the general framework with GND Advisory for the avoidance of conflict of interests. This policy recognises that the effective management of conflicts of interest is at the core of good customer and client outcomes, and a key point of the global regulatory and legislative conduct risk agenda. It is central to building and maintaining trust and confidence in our business and the way we conduct business in the markets we operate in.

Conflicts of interest may manifest themselves in a number of different ways across the value chain of our business. The format of this policy draws a distinction between those conflicts that generally apply to individuals in a personal capacity, and those that generally apply and require to be managed at business unit level, most notably to ensure compliance with specific/local legislative/regulatory requirements.

GND Advisory must ensure that:

- all customers and clients are treated fairly in cases where actual or potential conflicts of interest arise as a result of the Firm providing services to those customers or clients;
- appropriate steps are taken to identify and prevent any conflicts of interest that may arise or have the potential to arise in the course of providing services to its customers or clients. If a conflict cannot be prevented appropriate steps must be taken to mitigate and manage such conflicts;
- sufficient organisational and structural measures are in place to:
  - provide procedures, mechanisms, systems and other controls to manage or resolve any conflicts of interest,
  - ensure that when a conflict cannot be avoided GND Advisory and its people always act in the best interests of its customers or clients,
  - maintain complete records of any actual or potential conflict and to ensure reporting to affected customers or clients;

The following Principles apply in the context of GND Advisory's conflicts of interest policy:

**Principle 1** – A firm must conduct its business with integrity.

**Principle 2** – A firm must conduct its business with due skill, care and diligence.

**Principle 3** – A firm must pay due regard to the interests of its customers and treat them fairly.

**Principle 4** – A firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading.

**Principle 5** – A firm must manage its conflicts of interest fairly, both between itself and its customers, and between a customer and another client.

The management of conflicts of interest may include the need to restrict the exchange of information and / or the need for information barriers within or between business units, and the need for specified roles not to be discharged by the same individual within GND Advisory.

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<sup>1</sup> State Enterprise Centre of Registers. [https://www.registrucentras.lt/jar/index\\_en.php](https://www.registrucentras.lt/jar/index_en.php)

In accordance with the above Principles, the requirements of the European Markets in Financial Instruments Directive (“MiFID”) and Alternative Investment Management Directive, (“AIFMD”) and with our fiduciary obligations GND Advisory has policies and arrangements in place to identify and manage conflicts of interest that may arise between us and our clients or between our different clients.

This policy sets the standards that all Vectors, Business Regions and Functional Areas must adhere to in relation to managing GND Advisory’s conflicts of interest; including how we approach the identification and management of conflicts of interest whilst ensuring compliance with applicable legislation and regulatory requirements.

### 3. Application and Limitations

This policy applies to GND Advisory and all of its subsidiaries across all Vectors, Business Regions and Functional Areas. It is applicable to all directors, executive managers, permanent and temporary employees within GND Advisory, as well as secondees, external consultants, contractors and agency personnel whilst they are working with us.

The policy can be issued to external parties such as regulators, auditors, depositaries, trustees, customers or clients or potential customers or clients. The Policy can be issued to other parties with the permission of the Chief Risk Officer and/or Top Management.

This policy sets minimum standards for dealing with conflicts of interest at GND Advisory. There may be rare instances where this Policy is at variance with the local laws of a particular country in which case local law will apply.

### 4. Definitions

**Conflict of Interest** – a conflict of interest can include situations that arise, have the potential to arise or where a reasonable person may perceive there to be a conflict whether or not one actually exists. An actual, potential or perceived conflict of interest can arise where GND Advisory and/or any of its employees are subject to influences which might adversely affect decision-making or outcomes in the course of conducting business. A conflict can be due to the competition of legitimate influences such as acting for multiple customers/clients, or the presence of harmful ones such as personal gain.

As GND Advisory provides a wide range of services it may from time to time have interests that conflict with its customers’/clients’ interests or with the duties that it owes to its customers/clients.

Conflicts can include, but are not limited to, those between:

GND Advisory or one of its subsidiaries and a customer/client:

- an employee and a customer/client;
- one customer/client and another;
- an employee and GND Advisory;
- a supplier and GND Advisory;
- one part of GND Advisory and another.

Conflicts generally fit into one of two categories:

- Those that arise while conducting business for GND Advisory and on behalf of its customers or clients (e.g., GND Advisory’s interest conflicts with that of a customer or client, or a customer’s or client’s interest conflicts with another customer’s or client’s interest);
- Those resulting from personal activities of employees outside of GND Advisory (e.g., second jobs, business ventures, outside appointments, involvement in public affairs).

**GND Advisory** – an autonomous investment advisory registered in the Republic of Lithuania, together with all of its subsidiaries and associated companies.

**Vector** – any Vector within GND Advisory i.e., Investments, Adviser, Personal.

**Functional Area** – any function within GND Advisory e.g., the Risk function.

**Business Region** – any regional area of the business of GND Advisory e.g., EMEA.

## 5. Roles and Responsibilities

The policy framework sets out the respective roles of Risk and Compliance, policy owners and policy implementation managers.

### Head of Risk and Compliance

The Head of Risk and Compliance is owner of this policy. The Head of Risk and Compliance has responsibility for ensuring adherence to the conflicts of interest identification, management and reporting standards of the policy pertaining to business units.

### GND Advisory Board / Management

GND Advisory Board (i.e., Top Management) approves the Policy Framework and notes the Policy Register to which this Policy forms part of. Additionally, the Board reviews the register of conflicts of interest of directors annually.

### Vector, Regional and Functional Heads

Vector, Regional and Functional Heads are responsible for overseeing the identification, documentation, escalation and management of all conflicts of interest that arise from the business activities within their areas of responsibility at GND Advisory. Vector, Regional and Functional Heads are required to:

- be engaged in the implementation of procedures and arrangements for the identification, documentation, escalation, management and ongoing monitoring of conflicts of interest;
- promote and encourage a culture which emphasises the importance of the fair handling of conflicts of interest.

Attestations this Policy must be made in line with the Policy Framework. Functional attestations demonstrate and ensure Functional heads support the overall framework. In addition, there is a Regional Attestation overlay to help identify any concerns specific to that region. Where there is a specific conflict which arises at a Vector or Regional level, Vector or Regional Heads must ensure the conflict is managed in line with the Policy standards.

### Conflicts of Interest Owner

The owner of an identified conflict of interest is responsible for ensuring it is notified and escalated appropriately in a timely manner. The owner is accountable for the implementation and the effectiveness of the controls put in place to manage the identified Conflict of Interest. In addition, the owner will be responsible for the ongoing management of the conflict.

### The Executive Leadership team – Controls Meeting

This meeting will endorse the Conflicts of Interest Policy. Consideration will be given to conflicts of interest issues escalated to the meeting and review and challenge the status of the most significant conflicts impacting GND Advisory. This meeting will also consider any risk events with significant conflict of interest implications.

## 6. Defined Reporting

Where any local processes and procedures exist within Vectors, Functional Areas, Business Regions or legal entities across GND Advisory, these local processes and procedures must operate within the broader framework of standards set out within this policy.

Where any local policies are required within Vectors, Functional Areas, Business Regions or legal entities across GND Advisory, these local policies must operate within the broader framework of standards set out within his policy and must be approved by the Chief Risk Officer or Top Management prior to implementation.

## 7. Policy Standards

### 7.1. Conflicts of Interests arising from Business Activities

The following standards apply to conflicts of interest that may arise or have the potential to arise while conducting business for GND Advisory. As such, these conflicts may arise or have the potential to arise when the interest of GND Advisory conflicts with a customer's or client's interest, or a customer's or client's interest conflicts with another customer's or client's interest. Conflicts of interest may also arise or have the potential to arise across GND Advisory's business units or functions.

### 7.2. Identification of Conflicts of Interest

1. When identifying Conflicts of Interest that might arise between GND Partners or its Employee and a Customer or between one Customer and another customer of GND Partners, as a standard to evaluate whether any of the parties involved:
  - a. Is likely to make a financial gain or avoid a financial loss at the expense of the Customer
  - b. Has an interest in the result of the service provided to the Customer, which is different than what is the interest of the Customer
  - c. Receives a gain in a monetary or non-monetary form from someone other than the Customer that relates to the service provided to the Customer
  - d. Has a financial or other type of incentive to prefer the interest of a particular Customer over another Customer interests.
  - e. Performs or manages the same type of business as the Customer
2. When identifying Conflicts of Interest that might arise between GND Partners and its Employee(s) or Related Persons, as a standard to evaluate whether:
  - a. The Employee in a position to affect GND Partners decisions that might lead bring about a monetary or non-monetary gain for the Employee or a Related Person
  - b. The Employee's or a Related Persons personal interests are favoured over the interests of GND Partners or a Customer if the interests are opposing
  - c. The external engagement of Employee might damage the ability of the Employee to remain independent and objective or prevent to carry out the duties of the Employee.
3. GND Partners regularly performs evaluation of the possible Conflicts of Interests, as well as its Vendors, Business Regions and Functional areas must identify any Conflicts of Interest that might arise and respectively report as per section 'Reporting and Recording of Conflict of Interests' in this document.

### 7.3. Management of Conflict of Interests

4. GND Partners have developed and put in place several internal policies in order to manage and prevent Conflict of Interests:
  - a. The Business Code of Conduct
  - b. Risk and Compliance Policy
  - c. The Remuneration Policy
  - d. The Personal Financial Transactions Handling Policy
  - e. The Declaration of External Engagement template (Appendix 1)
5. GND Partners has a general commitment to prevent the creation of any Conflict of Interests in their activities
6. Vector, Regional and Functional Heads are responsible for overseeing the management of conflicts of interest for their area of responsibility on an ongoing basis. As such, Vector, Regional and Functional Heads, working with their relevant second line business partner leads, should:
  - assess new conflicts and take appropriate mitigation steps;
  - undertake periodic-reviews, on at least an annual basis, of their conflicts of interest.

7. Where an actual, potential or perceived conflict of interest cannot be prevented, Vectors, Business Regions and Functional Areas must take steps to manage the conflict and prevent any risk of detriment to its customers, clients or other business interests.

#### 7.4. Reporting and Recording of Conflict of Interests

8. Where actual, potential or perceived firm conflicts of interest are identified these should be reported to Risk and Compliance to ensure the conflict is accurately recorded on the central Register.

The following standards apply to conflicts of interest that may arise from personal activities undertaken outside of GND Advisory (e.g., second jobs, business ventures, outside appointments, involvement in public affairs).

9. All Vectors, Business Regions and Functional Areas must have in place processes and procedures for recording Personal conflicts i.e., an internal compliance system.
10. All employees are required to report all conflicts of interest that may arise from their personal activities undertaken outside of GND Advisory to their Manager for approval, and where applicable, to Risk and Compliance. These activities include but are not limited to:
  - undertaking some form of outside appointment that either conflicts or may have the ability to conflict with their role. For example, you wish to undertake a directorship, second job, business venture or Board Appointment. The applicable procedures must be adhered to;
  - having an immediate family member who is a connected person to GND Advisory e.g., they work for GND Advisory or is affiliated to a Service Provider or Supplier, Client or Competitor;
  - having an immediate family member affiliated with a Government body;
  - when you have been identified by Risk and Compliance as being in scope of the Personal Account Dealing requirements you should ensure that the Personal Account Policy is adhered to in terms of requiring pre-approval.

#### 7.5. Disclosure of Conflict of Interests

11. Where there is residual risk of conflict of interest that has been accepted and approved (with input from the second line), where appropriate, the nature of the conflict or source of the conflict of interest, or both, must be disclosed to the stakeholder in writing, before undertaking any new or further business, to facilitate an informed decision on whether they wish to proceed.

#### 7.6. Training and Awareness

12. Each Vector, Business Region and Functional Area must raise awareness of the standards of, and responsibilities under, this policy with their directors, employees and contractors. This includes ensuring that key roles have the requisite levels of training.

## 8. Applicable Laws and Regulations

Each Vector, Business Region and Functional Area in implementing this Policy, or formulating its procedures and practices, must take into consideration the guidance given in any relevant regulations.

Where there is a conflict between the standards of the Conflicts of Interest Policy and local legislation/ regulation, the Policy owner, along with relevant Vector and/or Business Regional leaders, must determine the appropriate way to manage the difference.

## 9. Links to Other Documents

Documents that must be read in conjunction with this policy are policies and compliances guidelines published on the GND Advisory intranet and corporate website <[www.gndpartners.com](http://www.gndpartners.com)> and contracts of employment, service agreements, or letters of appointments.

The contracts of employment or service agreements of employees and contractors within GND Advisory and the letters of appointment for non-executive directors within GND Advisory, shall contain provisions relating to conflicts of interest which support this policy.

## 10. Appendices

### APPENDIX 1: Declaration of External Engagements template

1. Basic Information

Full Name	
Position/ Title	
Company/ Department	

2. Do you currently hold or have held during the period of this declaration a direct management and/or control position of any legal entity incl. non-profit organizations outside of GND Advisory? If Yes, Specify in the table below.

#	Name of legal entity and reg. code	Primary activities of the legal entity	Position held or form of involvement	Shares held (if relevant)
1				
2				

3. Are you employed incl. provide services or have been employed / provided services during the period of this declaration for any legal entity outside of GND Advisory irrespective of the form and size of remuneration? If Yes, specify in the table below.

#	Name of legal entity and reg. code	Primary activities of the legal entity	Position held or services provided	Period of employment
1				
2				



4. Do you have Related persons who are currently employed incl. provide services or have been employed / provided services during the period of this declaration for any legal entity outside of GND Advisory that may have a conflict of interest with the Firm (customer, competitors, partners etc.)? If Yes, specify in the table below.

#	Name of legal entity and reg. code	Primary activities of the legal entity	Position held or form of involvement	Relationship between Employee and Related Person
1				
2				

5. Are you employed or have been employed for any legal entity or hold or have held a direct management and/or control position at any legal entity outside of GND Advisory that has been sanctioned for violations of the anti-financial crime rules or breaches of financial sanctions during your employment? If Yes, specify in the table below.

#	Name of legal entity and reg. code	Primary activities of the legal entity	Position held or form of involvement	Shares held (if relevant)
1				
2				

6. Do you have Related persons who are currently you employed or have been employed for any legal entity or hold or have held a direct management and/or control position at any legal entity outside of GND Advisory that has been sanctioned for violations of the anti-financial crime rules or breaches of financial sanctions during your employment? If yes, specify in the table below.

#	Name of legal entity and reg. code	Primary activities of the legal entity	Position held or form of involvement	Relationship between Employee and Related Person
1				
2				

7. Do you have any other activities that are not listed above that may cause conflict of interests with GND Advisory or affect the ability to carry your direct responsibilities within the Firm independently and objectively?

YES

NO

8. I confirm that I have no conflict of interests.

By submitting this Declaration, I acknowledge and confirm the following:

- All information provided in this Declaration is true and comprehensive;
  - I am aware and understand the obligations that arise from Conflict of Interests Policy;
  - I am aware that GND Advisory will process provided information in this Declaration for the purpose of requirements established in internal and external regulations.
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