



Policy for conflicts of interest

TABLE OF CONTENTS

1.	Background	2
2.	Legal basis	2
3.	Definition of conflicts of interest	2
4.	Conflicts of interest	3
5.	Managing conflicts of interest.....	3
6.	Prevention and management of conflicts of interest	4
7.	Reporting to the Executive Board	5
8.	Reporting to the Board of Directors.....	5
9.	Control.....	6
10.	Publication, update and history	6

Type	Navn	Page
Policy	Policy for conflicts of interest	2 af 7

1. BACKGROUND

- 1.1. The Board of Directors has adopted this policy for conflict of interests ("the Policy") and has herein defined and outlined the guidelines for Prism Financial Products Fondsmæglerselskab A/S ("the Company") in relation to the handling of the Company's potential conflicts of interest.
- 1.2. The Policy thus identifies the circumstances that constitute or may lead to a conflict of interest which entails a significant risk of harm to the interests of one or more customers, as well as establish procedures and measures to manage the conflicts.
- 1.3. The purpose of the Policy is to prevent a conflict of interest from being exploited by the Company or its staff to the detriment the Company's customers.
- 1.4. The Company is not permitted to trade on its own account and the Company's earnings and fee structure is structured in such a way that the risk of conflicts of interest between customers and the Company is assessed as very low.
- 1.5. The Policy is related to the Company's investment services and activities policy, remuneration policy, best execution policy, compliance policy and policy for ban on speculation.
- 1.6. Reference to the "Board of Directors" herein may include the Audit & Risk Committee (a sub-committee of the Board of Directors), and reference to "Executive Board" shall also mean the "Management Committee".

2. LEGAL BASIS

- 2.1. Law No 1155 of 08/06/2021 on brokerages and investment services and activities.

3. DEFINITION OF CONFLICTS OF INTEREST

- 3.1. The Company has identified a number of circumstances that may lead to conflicts of interest as potentially, but not necessarily, detrimental to the interests of its customers or of the Company itself.
- 3.2. A conflict of interest may arise if the Company, a person directly or indirectly controlled by the Company, or a customer is likely to achieve a financial gain or avoid a financial loss at the expense of a customer or the Company.

Type	Navn	Page
Policy	Policy for conflicts of interest	3 af 7

4. CONFLICTS OF INTEREST

- 4.1. In certain instances, the Company may face a situation that involves a real or perceived conflict of interest. Such conflicts may arise in a number of different ways, and it is therefore not possible to provide a full list of these instances. However, Company staff should take special care in the following instances as they pose a risk of a conflict of interest.
- 4.2. If the Company or staff or partner of the Company, either in the course of carrying out Company business or their own business:
- i. Is likely to make a financial gain, or avoid a financial loss, at the expense of the client or the Company;
 - ii. Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client that is distinct from the client's interest in that outcome.
 - iii. Has a financial or other incentive to favor the interest of one client or group of clients over the interests of another client;
 - iv. Company Board of Directors or Executive Board may have a potential conflict to favor Company brokerage firm affiliates, or lack independence;
 - v. Carries on a business that competes with the Company or a client; or
 - vi. 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.
- 4.3. Additional examples of potential conflicts of interest include:
- **Personal Relationships** - Personal relationships with clients and third-party service providers, which could influence you to prioritize that relationship over another;
 - **Gifts & Inducements** - Gifts, entertainment, hospitality and other inducements could influence you to do business with one third-party over another, irrespective of a client's interests;
 - **External Business Interests** - Directorships and positions of responsibility in other entities that could influence decisions, irrespective of a client's best interests;
 - **Personal Account Dealing** - Trading ahead of client orders, to the possible detriment of the client.

Upon joining the Company, all Company staff must disclose any potential conflicts of interests they may have to the CCO. The CCO must also be kept up to date with any changes to such circumstances.

5. MANAGING CONFLICTS OF INTEREST

- 5.1. The CCO is in charge of dealing with conflicts of interest that may arise. All Company staff have a duty to immediately disclose possible conflicts of interest to the CCO, who will determine how to appropriately handle such conflict. This is normally achieved by managing the conflict of interest by taking reasonable steps in one or more of the following ways:
- managing the conflicts internally;

Type	Navn	Page
Policy	Policy for conflicts of interest	4 af 7

- establishing special arrangements such as an information barrier;
- disclosing the possible conflicts to the client; or
- declining to act for a client.

5.2. Examples of types of procedures for managing conflicts:

- i. effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- ii. the separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company;
- iii. the removal of any direct link between the remuneration of relevant persons principally engaged in 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;
- iv. measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out services or activities; and
- v. measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate services or activities where such involvement may impair the proper management of conflicts of interest.

6. PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

6.1. The Company's staff are expected to behave with integrity, legally and professionally and always respecting the customer's interests. The CEO of the Company is responsible for determining appropriate business procedures and procedures for the purposes of the guidelines of the Policy and the policies set by the Board of Directors in general.

6.2. In addition, the Company has adopted the following broad guidelines:

- a. The Executive Board or other key staff hired by the Board of Directors of the Company by law or statutory provision may not, without the permission of the Board of Directors, own or engage in independent business activities or as a board member or official, or otherwise participate in the management or operation of business activities other than the Company.
- b. The Company's staff are obliged to act loyally and fairly towards the Company and its customers in accordance with the Policy.
- c. The Company's staff are subject to professional confidentiality and confidential information is shared only internally and to the extent necessary to perform the staff's function, unless explicitly agreed with the customer.
- d. The Company's staff familiarize themselves with the Company's policies and business procedures and receive instruction in handling conflicts of interest.
- e. The Board of Directors shall monitor the internal reporting and effectiveness of the Policy on the prevention and management of conflicts of interest.

Type	Navn	Page
Policy	Policy for conflicts of interest	5 af 7

6.3. Information Barriers:

Another method by which the Company can manage conflicts of interest is to establish and maintain internal arrangements restricting the movement of information within the Company. This requires information held by a person in the course of carrying on one part of Prism's business to be withheld from, or not to be used by, persons with or for whom the Company act in the course of carrying on another part of the Company's business. Such an arrangement is referred to as an Information Barrier.

- (i) When the Company establishes and maintains an Information Barrier it may (but only to the extent that the business of one of those parts involves the carrying on of regulated activities or ancillary activities):
 - i. withhold or not use the information, and
 - ii. permit persons employed in the first part of its business to withhold the information from those employed in that other part of the business.
- (ii) Information may also be withheld or not used by the Company when this is required by an established arrangement maintained between different parts of the business (of any kind) in the same group.
- (iii) For the purpose of this rule, "maintains" includes taking reasonable steps to ensure that the arrangements remain effective and are adequately monitored and must be interpreted accordingly.

Where the Company establishes and maintains an Information Barrier, individuals on the "other side of the barrier" will not be regarded as being in possession of knowledge denied to them as a result of the Information Barrier.

6.4. The Company shall conduct an independent annual Anti-Money Laundering audit, to have an independent third-party assessment of the Company's AML practices.

6.5. The Company shall conduct an annual independent risk assessment, to have an independent third-party assessment of any areas of operational risk.

6.6. The Company shall have a suitably qualified local compliance firm on retainer to advise on Danish regulatory compliance and all ad hoc regulatory and compliance issues that may arise in the operation of the Company.

7. REPORTING TO THE EXECUTIVE BOARD

7.1. All potential conflicts of interest must be notified to the CCO of the Company, who will then decide whether there is a conflict of interest.

7.2. The Company's CEO is responsible for conducting appropriate business procedures for investigating and reporting any conflicts of interest and instructing the Company's staff in the guidelines of the Policy.

8. REPORTING TO THE BOARD OF DIRECTORS

Type	Navn	Page
Policy	Policy for conflicts of interest	6 af 7

- 8.1. The Company shall ensure that the Board of Directors is informed of conflicts of interest with a description of:
- The identified conflict of interest.
 - The circumstances that have led to the conflict of interest.
 - The time and date of the first reporting of the conflict of interest.
 - Which staff or other person that reported the conflict of interest to the Company's Compliance function.
- 8.2. The obligation of reporting under paragraph 8 conflicts of interest or potential conflicts of interest, as the Company's CEO or the Executive Management himself learns.
- 8.3. The Board of Directors shall address all reported conflicts of interest at the next board meeting.
- 8.4. If the Board of Directors agrees that there is a conflict of interest or that there is a reasonable risk of a conflict of interest arising, the Board of Directors shall ensure that the relationship is communicated to the customers concerned without undue delay, together with proposals to resolve the conflict of interest.

9. CONTROL

- 9.1. It is the board's responsibility to ensure that compliance with the Policy is controlled at least once a year, as well as ensuring that the results of the verification are reported.
- 9.2. The Board of Directors has decided that the control referred to in point 9 shall be carried out by the Company's Compliance Function, in order to ensure independence.
- 9.3. If the Compliance Function becomes aware that the Policy is not or cannot be complied with, this is reported directly to the Board of Directors without undue delay.

10. PUBLICATION, UPDATE AND HISTORY

- 10.1. The policy must be published on the Company's website and reviewed when deemed necessary by the Board of Directors, but at least once a year.

Version	Legal basis	Approved	Changes
1.0	Law No 1155 of 08/06/2021 on brokerages and investment services and activities.		In connection with the application for authorization to operate.

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Type	Navn	Page
Policy	Policy for conflicts of interest	7 af 7