

HMS CONFLICTS OF INTEREST POLICY

1. INTRODUCTION

HMS' Conflicts of Interest Policy (hereafter, the "Policy") is developed in accordance with legal provisions and is reviewed and amended by the Company when needed or, at least, on an annual basis.

The Policy as well as its implementation must always follow the regulatory framework in place and attend to the below stated Principles:

- HMS manages conflicts of interest in a way that is in the best interest of its Clients;
- HMS establishes and implements written procedures to identify, monitor and appropriately mitigate actual and potential conflicts of interest throughout the business;
- HMS adopts a remuneration policy and practices aligned with effective duties of conflicts of interests' management and obligations of conduct of business' risk management;
- HMS ensures that any disclosures of conflicts of interests are provided to the Clients/Relevant Persons in a timely manner;
- HMS requires its employees to act in the best interests of its Clients, first, and of the Company, after, at all times.

HMS' Management is responsible for ensuring that the Company's systems, controls and procedures are adequate and also to ensure that all the arrangements made under this Policy operate effectively.

2. IDENTIFICATION OF CONFLICTS OF INTEREST

A conflict of interest exists, or a perceived conflict of interest can exist, if one (person) has a direct or indirect interest in a decision being made, a decision that should, and needs to, be made objectively, free from bias and in the best interest of not only the Client but also of the Company. In practical terms, this situation occurs if HMS (or any person directly or indirectly linked to HMS by controlling position or yet one of its members of staff) is likely to make a financial gain, or avoid a financial loss, at the expense of the client(s).

In this sense, three potential sources of conflicts of interest have been identified in regards to HMS' business activities:

- Client – Company conflicts
- Client – Client conflicts
- Employees' conflicts

The main risks arising from a conflict of interest are:

- The potential breach of regulatory requirements leading to disciplinary sanctions, imposed to the Company and/or to the concerned members of staff;

- The potential criminal offence of market abuse and/or inside information, also potentially triggering civil and criminal sanctions to the Company and/or to the concerned members of staff;
- The potential exposure of the Company's investment strategies, investment portfolio and/or clients' portfolio;
- The effective breach of the Company's reputation; and
- The potential litigation by clients, resulting in loss of business, revenues and profits.

3. MANAGEMENT OF CONFLICTS OF INTEREST

HMS has adopted and implemented several arrangements in order to manage apparent or actual conflicts of interest, which include:

- "Chinese walls";
- Segregation of functions;
- Independent supervision; and
- Policies in relation to employees' personal transactions.

4. MITIGATION FACTORS

The main mitigation factors identified to prevent conflicts of interest are the pre-set conditions for the performance of work, which include:

- Strict contractual obligations for all of those involved – contractual obligations stipulate the duty to keep confidentiality about all aspects of the business operations outside the working place, in particular the duty to not refer to any Client by means that allow his/her/its identification. In practice, no confidential or price-sensitive information shall be discussed outside of HMS' premises or within HMS' premises in the presence of those who are not connected to HMS or, even if connected to HMS, those who do not need to know such information.
- Dedicated staff training: HMS' staff receives on a regular basis, and (at least) on an annual basis, a training on Market Abuse and Insider Dealing in order to refresh concepts and notions that are essential for a compliant business performance.
- Reinforcement of corporate culture among staff members – by promoting regular checks and controls of all duties and obligations. Additionally, the staff members are required to disclose, on a regular basis, their personal investment activity so as to confirm that no confidential information is being used for personal gains or advantages (by a member of staff or any of its closest relations