



## **Conflicts of Interest Policy Summary**

Plum Money CY Limited

## Introduction

Plum Money CY Limited (“Plum Money CY” or “Plum”, or “Company”) is a company registered in Cyprus (HE 414587) and authorised by the Cyprus Securities and Exchange Commission (CySEC) to carry on investment and/or ancillary services as a Cypriot Investment Firm (Licence no: 407/21).

This Policy Summary addresses how Plum Money CY will identify, prevent and manage conflicts of interest in respect of its business activities. Plum Money CY acts in accordance with the Conflicts of Interest rules and the applicable regulatory framework including the Investment Services and Activities and Regulated Markets Law of 2017 as may be amended or replaced from time to time (L.87(I)/2017) and any other directives and circulars issued by the supervisory authorities, which will take precedence over the requirements of this Policy.

## Conflicts of Interest Policy Summary

Plum, being a regulated entity, is required to establish, implement and maintain an effective Conflicts of Interest Policy set out in writing, which is appropriate to the size and organisation of the firm and the nature, scale and complexity of their business.

The Policy is aiming to meet the Company’s obligations to maintain and operate effective organisational and administrative processes and controls for the identification and management of actual, potential or perceived conflicts of interest as well as any personal, professional, and business interest of employees, Relevant Persons and others. The Policy takes into account *inter alia* any circumstances that may give rise to a conflict of interest arising as a result of the structure and business activities of other members of Plum Group.

This Policy Summary is not intended to cover all eventualities and all circumstances that may be encountered. Employees of Plum should be alert to potential conflicts of interest and immediately contact their manager and the Compliance Officer, should an actual or potential conflict of interest arise.

## Applicability

All employees and management of the Company should be aware of the provisions of the Policy and understand the role and importance of conflicts of interest relevant to their operations. This includes making appropriate declarations of interests, identification and management of actual, potential or perceived conflicts of interest.

## Plum Money CY values

The principles of the Policy align with Company's values and employees/management must:

- A. Always act with honesty and integrity;
- B. Be open about the relationships and personal interests that could be seen as influencing their independent judgement;
- C. Always alert reporting lines of any actual or potential conflict of interests and agree with them how they should be managed. Declarations should be made on appointment, as and when they arise throughout the year, as well as during the annual attestation process;
- D. Do not seek a profit (or avoid a loss) for themselves or others by making personal use of information acquired during their duties;
- E. Ensure they do not leave themselves open to (or perceived to be open to) improper influence through the acceptance of gifts and hospitality, or otherwise; and
- F. Exercise caution in managing their finances and do not undertake transactions that, by their nature or purpose, would be improper.

## Definition and Types of Conflicts of Interest

Conflicts of interest are defined as any conflicts which may arise during the business activity of the Plum in the course of providing services to a Client, including investment and/or ancillary services between:

- The Company (including an employee of the Company) and a Client; or
- The Company (including an employee of the Company) and a third party; or
- A Client and another Client.

To identify potential conflicts of interest Plum Money CY takes into account as a minimum the below:

1. a person likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
2. 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;
3. has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Client;
4. carries on the same business as the Client; or
5. 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.

## Identifying, Managing and Preventing Conflicts of Interest

Plum takes all necessary measures and establishes the necessary procedures in order to prevent the occurrence of conflicts of interest or manage any actual, potential or perceived conflict of interest between Plum and its Clients.

Plum Money CY has reviewed its business model and has identified the following potential conflicts of interest, which are related to the service of Reception, Transmission and/or Execution of Client Orders (i.e. Stock Investment services):

- Employee roles and responsibilities
- Management of employees
- Remuneration
- Business interests
- Connected persons
- Inducements including gifts and hospitality
- Client Orders versus other Clients Orders
- Intra-group counterparty relationships
- Fees & commissions
- Personal transactions.

Plum Money CY will regularly review its business model to ensure any new potential conflicts of interest are noted and managed or prevented effectively.

### Situations that may give rise to conflicts

The situations / events set out below represent a non-exhaustive list of situations / events where conflicts of interest may arise:

- where an employee engages in personal dealing in respect of securities/ Financial Instruments, and the Company has a Client with a same interest that potentially conflicts with such dealing;
- where Group Companies provide or may provide different services to the same Client;
- where Plum uses an affiliated firm which owes fiduciary obligations to another person (e.g. a broker dealer executing orders for an affiliated investment manager that is acting on behalf of an investment fund);
- where Plum or its employees have a financial or other incentive that may lead to favour the interests of one Client over the interests of another Client;

- where Plum or its employees receive a monetary or non-monetary benefit from a person other than the Client in relation to an investment service provided to that Client;
- where Plum or its employees misuse Inside Information, engage or attempt to engage in Insider Dealing and Market Manipulation with the purpose of deriving personal benefit or benefit of the Company or a Client / third party;
- where an employee recommends more trades to a Client in order to meet the employee's or the Company's revenue targets, as opposed to acting in the Client's best interest;
- where the Client requests the Company or an employee to facilitate non-compliance with relevant laws or Company policies including tax evasion, fraud or other illegalities;
- where Plum receives inducements i.e. fee, commission or non-monetary benefit for services provided to Clients;
- where Plum enters into agreements with Clients in return for preferential allocations;
- where the management of Plum, provide exertion of influence resulting in the use of inappropriate criteria in the selection of external service providers;
- where the remuneration of the employees is closely related to the profit derived from the execution of the provided investment services.

## **Supervision and Management of Staff**

Staff will be based in the Company's offices in Cyprus. Employees and other Relevant Persons with access to sensitive data that may give rise to conflicts of interest will be physically segregated in order to prevent the occurrence of conflicts of interest. Access rights are always provided based on the assigned tasks and responsibilities of each employee by their direct manager/team leader. In this way, unreasonable and excessive access to sensitive data is prevented.

When employees request access to new folders/data, they should always state the reason for which that access is required.

Each employee is responsible to disclose any potential conflict of interest to senior personnel and the senior management should take all reasonable steps to updating access rights.

## **Business Interests**

Plum recognises that our current and future employees may have an interest, relationship or arrangement whereby they act as a trustee, hold a power of attorney or have a Directorship that may potentially create a conflict of interest. Plum requires its employees to declare any such interests and will take the appropriate steps to manage or prevent any conflicts of interest that are identified. To manage such conflicts Plum requires its employees to disclose Directorships and interests in other companies and to disregard the interests, relationships or arrangements concerned when acting on behalf of Plum.

## Connected Persons

Group of Connected Persons means:

- a) Two or more natural or legal persons who, unless it is shown otherwise, constitute a single risk because one of them, directly or indirectly, has control over the other or others; or
- b) Two or more natural or legal persons between whom there is no relationship of control as described in point (a) but who are to be regarded as constituting a single risk because they are so interconnected that, if one of them were to experience financial problems, in particular funding or repayment difficulties, the other or all of the others would also be likely to encounter funding or repayment difficulties.

Plum is aware of its duty to avoid a conflict of interest arising where an employee has an indirect interest through a connected person (e.g. adult child or spouse). Relevant employees are required to disclose any potential conflicts of interest through connected persons. A register of these interests will be kept and will be updated regularly.

## Personal Transactions

When a personal account dealing is performed by an employee, it may expose the Company and its employees to market abuse (e.g. Insider Dealing, misuse of Inside Information) as well as to situations that could give rise to conflicts of interest.

Employees should avoid any personal account transactions that may place them in conflict with the interests of either Clients or the Company. If in doubt, advice should be sought from the Compliance Officer of the Company.

## Watch List

The principle of the “Watch List” permits the Compliance Officer to monitor the trading of securities / Financial Instruments as well as the cancelling or amending of an order concerning a Financial Instrument of companies on the Watch List, including trading of its Clients and its employees, during the period before a company is placed on the Watch List.

The Watch List does not restrict sales/trading activity. The contents of the Watch List are confidential and known only by the Compliance Officer. Regardless of whether a company or a security / Financial Instrument is placed on the Watch List, the Chinese Walls procedures must be strictly observed until the Inside Information has been disclosed publicly by the Company and broadly disseminated.

## **Inducements including Gifts and Hospitality**

Plum has a strict policy, which specifically prohibits employees from soliciting or accepting any inducements to conduct business in a specific manner that would give rise to a detriment to a partner or to favor the interests of one partner over another.

The Company recognises that Gifts and Hospitality, irrespective of their value, may influence or appear to influence the decision-making and the handling of the business, and can lead to potential conflicts of interest. Employees are not permitted to accept, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in all circumstances or may give rise to the perception that in doing so, decisions may be influenced or may not be impartial.

Plum requires any employee who is offered any kind of gift or payment over an agreed limit from either side or outside the Company to report this to the Nominated Officer (i.e. the appointed Compliance Officer of the Company) for recording to the Gifts and Hospitality register.

The Nominated Officer will regularly review the Gifts and Hospitality Register to identify any conflicts of interest that may be occurring.

## **Order handling and Best Interests**

Plum Money CY provides a non-advised order transmission service in shares and fractions of shares and therefore does not offer any advice or provide any recommendations regarding the appropriateness of any particular Instrument. Plum Money CY will transmit Orders to a Third Party Broker for execution or onward transmission. Plum's primary obligation is to ensure that Client Orders are transmitted to the Third Party Broker promptly and fairly.

Plum Money CY is under a duty to act in a Client's best interest when transmitting an Order to another entity for execution or onward transmission. Therefore, in selecting the Third Party Broker Plum Money CY has considered industry guidance and believes best execution for orders is best obtained by only using the Third Party Broker who has the necessary expertise in the instruments in which Orders are executed. Plum Money CY conducts due diligence on the Third Party Broker to ensure that it has the necessary expertise in the relevant instruments and to satisfy itself that the Third Party Broker delivers fair outcomes.

Plum Money CY does not engage in principal trading or trading for its own account (i.e. proprietary trading) and as such no conflicts arise between Plum Money CY and its Clients. The selected Third Party Broker is fully independent of Plum Money CY and Plum Money CY has no association with the Third Party Broker except for the business services provided by the Third Party Broker.

## Disclosure of Conflicts of Interest

Relevant Persons are required to disclose any actual, potential or perceived conflicts of interest in accordance with the following principles.

### Internal disclosure

Relevant Persons must declare any circumstances which may give rise to a conflict of interest as soon as they become aware of it, including where the matter may result, or has already resulted, in non-compliance with the Policy.

Every employee is responsible for identifying, disclosing and escalating potential or actual conflicts of interest, in accordance with the provisions of this Policy. Employees are responsible for taking appropriate actions when they are aware of potential or actual conflicts, including in the provision of payment, investment and ancillary services to clients, as well as when executing business activities with vendors and other third parties. Specifically, regardless of position or hierarchical level, all employees are obliged to disclose potential and/or actual conflicts of interest which may arise as a result of the various activities of Plum. Once an employee identifies a conflict that must be readily addressed by existing controls maintained by Plum, and they should also consider the provisions of the Plum Group's Whistleblowing Policy.

### Disclosure to Clients

In cases where the measures taken to prevent or manage conflicts of interest are not sufficient and conflicts of interest will occur, the Company shall clearly inform Clients prior to undertaking any action on behalf of the Client regarding the nature and source of such conflicts of interest. This update shall be made by any tangible means, unless the Client has not consented to any other means of communication, and include sufficient details, taking into account the Client's classification, in order for the Client to be in the position to take a substantiated decision with respect to the provided investment or service in the context of which the conflicts of interest have emerged.

The Company shall ensure that disclosure of conflicts of interest to Clients is used only as a means of last resort, which shall only be used where the effective organizational and administrative arrangements established to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risk of damage to the Clients' interests shall be prevented or eliminated. This shall be clearly stated as part of the disclosure, which shall:

- Be made in a Durable Medium; and



- Include sufficient detail, taking into account the nature of the Client, to enable that Client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

The disclosure shall include a specific description of the conflicts of interest that arise in the provision of investment and/or ancillary services, taking into account the nature of the Client to whom the disclosure is being made.

The description shall explain the general nature and sources of conflicts of interest, as well as the risks to the Client that arise as a result of the conflicts of interest and the steps undertaken to mitigate these risks.

Over-reliance on disclosure of conflicts of interest is considered a deficiency and appropriate controls and measures are followed to identify the conflicts prior disclosure such as in place measures of information barriers or physical separation of certain departments.

## Definitions

**Client** – means any natural or legal person to whom Plum provides investment and/or ancillary services as defined in the Investment Services and Activities and Regulated Markets Law of 2017 as may be amended or replaced from time to time.

**Close links** - means a situation in which two or more natural or legal person are linked by:

- participation in the form of ownership, direct or by way of control, of at least 20% of the voting rights or capital of an undertaking;
- control which means the relationship between a parent undertaking and a subsidiary or a similar relationship between any natural or legal person and an undertaking, any subsidiary of a subsidiary undertaking also considered to be a subsidiary of the parent undertaking which is at the head of those undertakings;
- a situation in which two or more natural or legal persons are permanently linked to one and the same person by a control relationship.

**Durable Medium** – means any instrument which:

- a) enables the Company to store information addressed personally to that Client in a way accessible for future reference and for a period of time adequate for the purposes of the information; and
- b) allows the unchanged reproduction of the information stored.

**Inside Information** – means, in accordance with the Market Abuse Regulation, information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more Financial Instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those Financial Instruments or on the price of related derivative Financial Instruments.

**Personal Transaction** - means a transaction in Financial Instruments, which is conducted by or on behalf of a Relevant Person, if and only if, at least one of the following conditions are met:

- The Relevant Person is acting outside the scope of the activities he carries out in his professional capacity;
- The trade is carried out for the account of any of the following persons:
  - a) the Relevant Person;
  - b) any person with whom he has a family relationship, or with whom he has Close links;

- c) a person in respect of whom the Relevant Person has a direct or indirect material interest in the outcome of the trade, other than obtaining a fee or commission for the execution of the trade.

**Order** – means any instruction given by you to us under the Plum App in relation to a Security and includes a Market Order, a Manual Order and an Automated Order

**Relevant Person** – means a member of staff or a person engaged by the Company whose functions and / or responsibilities in the Company provide him / her on an ongoing basis with information of a confidential and / or of an inside nature concerning companies/entities, the Financial Instruments of which are traded on a Regulated Market, MTF or OTF and / or can place him / her in a position of conflict of interest.

In particular, Relevant Person means any of the following persons:

- A director, partner or equivalent person, manager or tied agent or manager of any tied agent of the Company;
- An employee of the Company or of a tied agent of the Company, as well as any other natural person whose services are placed at the disposal and under the control of the Company or of a tied agent of the Company who is involved in the provision by the Company of investment services or/and the performance of investment activities;
- A natural person who is directly involved in the provision of services to the Company or to its tied agent under an outsourcing arrangement for the purpose of the provision by the Company of investment services or/and the performance of investment activities.
- Third Party Broker - means any third party broker to which the Company has received and transmitted Client Orders for execution.