Conflict of Interest Policy (Investment Services)

Please take the time to read this document carefully and inform us if you require further information or clarification.

1. INTRODUCTION

The purpose of this document is to lay down in broad terms the policy of the Gibraltar International Bank Limited.

Gibraltar International Bank (the Bank or GIB) is required by applicable laws and regulations to establish and implement a Conflicts of Interest policy to ensure the firm respects and reasonably protects the Client's best interests at all times. A conflict of interest arises when the Bank's interests, its mangers, employees, or any person directly or indirectly linked to it by control, conflict with the duties it owes to a Client or the duties the firm owes to one client, conflicts with the duties it owes to another client, during the course of the firm providing regulated or ancillary services and activities. This policy has been prepared with due recognition of the potential for the activities of any part of the GIB operation giving rise to a conflict of interest entailing risk of damage to the interests of one or more of the Bank's Clients. The Bank shall take all appropriate steps to identify and to prevent or manage conflicts of interest across GIB and measures have been put in place to manage such conflicts in a way that is fair to Clients.

1.1 SCOPE

The Bank is required to operate robust governance controls so as to minimise conflicts of interest and to take all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, to identify, manage and monitor and, where applicable, disclose these conflicts of interest in order to prevent them from adversely affecting the interests of the Bank's Clients.

All employees are expected to exercise the highest standards of integrity and ethical business conduct to ensure the fair treatment of Clients. All employees are required to avoid situations in which their personal interest's conflict with the Bank's fiduciary duties to Clients. They are also required to manage situations where the interests of Clients may conflict.

2 TYPES OF CONFLICT

Under financial services regulation, the Bank is required to identify situations in which activities carried out by GIB, could constitute a conflict of interest, that do not lead to potential risks to the interests of Clients.

For the purpose of identifying the types of conflict of interest that arise, or may arise, in the course of providing a service and whose existence may entail a material risk of damage to the interests

of a client, the Bank must take into account, as a minimum, whether the Bank or relevant person, or person directly linked to it by control to GIB:

1. Is likely to make financial gain, or avoid financial loss, at the expense of the Client;
2. Has an interest in the outcome of the service provided to the Client, or of a transaction carried out on behalf of the Client, which is distinct from 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;
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 that the standard commission or fee for that service.

3 IDENTIFICATION AND RECORDING OF CONFLICTS

The Bank will record each of the conflicts it identifies in its Conflicts of Interest Register. The register will identify each of the circumstances that may give rise to a conflict of interest entailing a risk of damage to the interests of one or more Clients. Each entry will identify the investment service or ancillary service carried on by the Bank to which the conflict relates. The record will also specify the procedures adopted by the Bank to prevent or manage the conflict that has been identified.

The Conflicts of Interest Register is maintained, and regularly updated by the Compliance Manager. The appropriate business functions and 1st Line of Defence risk owners are involved in the identification of potential conflicts of interest through the annual risk map review for each business area.

4 HOW THE BANK MANAGES POTENTIAL CONFLCITS OF INTEREST

Employees are made aware of the policies and procedures in place that are designed to identify and manage possible conflicts through their normal business operating procedures, ad-hoc guidance from the Risk & Compliance department, training and normal day to day business communications.

The Bank's standard employment contract requires staff to devote their full time and effort to the Bank's business. Employees are prohibited from undertaking any other employment or engage of be involved or interested in any other business without the prior written consent of the CEO. The Human Resources Manager maintains an Outside Interests Register for this purpose. If such other employment or engagement or interest in another business does not involve any remuneration

and time effort and is not directly or indirectly in competition with GIB's business, then the outside interest can by authorised by the CEO in consultation with the relevant line manager, without need for Board approval.

All staff and directors are required to sign an Interests declaration.

To manage any potential conflicts of interests the bank has put in place a number of policies and procedures to mitigate and control the risk. Such policies include but are not limited to:

- GIB's code of ethics contained in the Staff Handbook and Business Etiquette documents;
- Risk Management Policy providing for the independent performance of the risk management function
- Market Abuse Policy;
- Bribery & Corruption Policy;
- Personal Account Dealing Procedure;
- Gifts and Benefits Procedure;
- Treaty Customers Fairly policy;
- Best Execution Policy (includes Allocation and Aggregation).

General organisation arrangements such an independent Management Risk and Board Risk Committees as well as the four eyes principle, segregation of duties, information security / data protection and remuneration structures assist to underpin this effort.

The remuneration scheme for members of staff involves, in equitable proportions, a "fixed salary" component and a "variable bonus" component to appropriately reflect the position held, the employee's contribution to the company and his/her conduct over time. Remuneration is not directly related to specific transactions or types of financial instruments sold by the staff to Clients.

GIB monitors adherence to these policies and procedures through its compliance monitoring programme on an own going basis.

The Bank does not deal on its own account.

The Bank does not enter into dealing commission (soft commission) agreements and does not receive rebates or commissions.

The Bank will ensure that the Bank's personal engaged in different business activities involving a risk of a conflict of interest carry out these activities having a degree of independence which is appropriate to the nature and size of the activities and to the materiality of the risk of damage to Client interests. Staff regularly undergo training courses relevant to their professional responsibilities. The purpose of this training is mainly to prevent or limit any person from exercising

an inappropriate influence on the way in which a person involved carries out investment services with Clients or ancillary services.

5 REPORTING

The Risk & Compliance department reports in writing to the Board of Directors on a quarterly basis on conflicts of interest.

Any unmanaged or un-prevented conflicts of interest are disclosed to the Bank's Clients individually notified as soon as practicable after the discovery of such conflicts of interest.

6 DISCLOSURE OF CONFLICTS

The Bank is subject to the standards of disclosure of conflicts of interest under the MiFID. GIB will comply with the disclosure requirements as these apply to each activity separately and in the manner set out below.

The Bank is committed to managing in an effective way each of the actual or potential conflicts of interest that it identifies and not to allow any such conflict to adversely affect the interests of any of the Bank's Clients. In the unlikely event that the Bank identifies a conflict of interest that the Bank, is not confident that it is able to manage in such a way as to prevent the conflict from adversely affecting the interest of one of more of its Clients, the Bank will only proceed with the relationship or the arrangement that creates the conflict when the following steps have been taken:

1. The nature of the conflict has been considered by the Bank's Board of Directors at a meeting (whether one of its periodic meetings or a meeting convened for the specific purpose of considering the conflict) and the Board resolves to proceed with the relationship or arrangement notwithstanding the fact that there is a risk that the interests of one or more Clients may be adversely affected;
2. The nature of the conflicts and the steps taken to mitigate it have been clearly disclosed, in a durable medium, to each Client in sufficient detail to enable each Client affected to take an informed decision whether the Client wishes to proceed with the service provided by the Bank.

This policy has been adopted so that the Bank can demonstrate it is committed to managing any conflicts of interest that it identifies and that it will only proceed with any arrangement or relationship where the Bank cannot ensure, with reasonable confidence, that the risk of damage to a Client cannot be prevented after making a clear disclosure and only then as a last resort.

The Bank re-evaluates and reviews this policy regularly at least once a year to ensure that it is adequate for the nature and size of the operation.