# Conflicts of Interest Policy

## I. Introduction

Capital Com Group Ltd (the "**Company**", "**we**", "**Capital Com**") is a Cypriot Investment Firm (the "**CIF**") regulated by the Cyprus Securities and Exchange Commission (the "**CySEC**") for the provision of investment and ancillary services under the license number 463/25 and registered in the Republic of Cyprus. Our business and registered address is at 66 Christaki Kranou, 7th Floor, City Tower, 4042, Germasogeia, Limassol, Cyprus.

## II. Purpose and Legal Framework

Based on the regulatory requirements, the Company shall establish, implement and maintain an effective Conflicts of Interest Policy setting out in writing and appropriate to the size and organisation of the firm and the nature, scale and complexity of its business.

Thus, the purpose of this Conflicts of Interest Policy is to outline the principles and arrangements put in place by the Company, to identify and responsibly manage, control and, where necessary, disclose the conflicts of interests arising in relation to our business.

This Policy is designed to ensure that Capital Com acts honestly, fairly and professionally, and in the best interests of its clients, in accordance with applicable legal and regulatory requirements.

This Policy is not intended to create third party rights or duties that would not exist in the absence of the Policy.

This Policy discusses the main sources of conflicts of interest arising, however, it may not cover all eventualities and all circumstances that may be encountered.

## III. Scope

The Policy applies to all relevant persons, as defined in the Delegated Regulation (EU) 2017/565 (the "**Del. Regulation 565**"), including directors, managers, employees or any person directly or indirectly linked to the Company by control (the "**relevant persons**") and refers to all interactions with clients or between one client and another client, between clients and a relevant person, or between Capital Com's departments, that may arise in the course of providing any investment and ancillary services, or combinations thereof, including those caused by the receipt of inducements from third parties or by the firm's own remuneration and other incentive measures, which adversely affect the interest of the Company's clients.

## IV. Our business model

This Policy applies to all financial instruments offered by the Company. For contracts for difference (the "**CFDs**") and knock out options (the "**KOs**"), the Company executes client order as principal, by dealing on own account. For Stocks (as defined under Annex 1 of this Policy), as these are defined under Annex 1 of this policy document, the Company receives and transmits client orders to an executing broker (including via third-party technology and execution arrangements), which may involve commercial relationships and execution dependencies.

## V. Identifying a Conflict of Interest

Capital Com defines a conflict of interest as any situation where either the Company or an individual is in a position to exploit a professional or official capacity in some way for either corporate or personal benefit.

For example, a conflict of interest is present if there is a potential for the personal interests of an employee to clash with his/her fiduciary duties. A conflict of interest may exist even if no unethical or improper act results, but

there is the potential for the appearance of impropriety, which can undermine confidence in the Company.

The affected parties if a conflict of interest arises can be the Company, the Company's associates (which could be group entities, service providers and/or affiliates),our employees or our clients. More specifically, a conflict of interest may arise, between:

- our client and us;
- two of our clients;
- us and our employees;
- our client and our employee/manager;
- our departments;
- our clients and our associates;
- us and our associates.

While it is not feasible to define precisely or create an exhaustive list of all relevant conflicts of interest that may arise, as per the current nature, scale and complexity of the Company's business, the following list includes circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more of our clients:

(a) Capital Com or a relevant person, or associate, or a person (in)directly linked by control to Capital Com, is likely to make a financial gain, or avoid a financial loss at the expense of our client;
(b) Capital Com or a relevant person, or associate, or a person (in)directly linked by control to Capital Com, has an interest in the outcome of a service provided to our client, or of the transaction carried out on behalf of our client, which is distinct from the client's interest in that outcome;
(c) Capital Com uses third-party brokers, execution venues or other intermediaries for the execution of stock transactions, whose interests or execution arrangements may differ from those of the client;
(d) Capital Com or a relevant person, or associate, or a person (in)directly linked by control to Capital Com, has a financial or other

incentive to favour the interest of one client or group of clients over the interests of the another client;

(e) Capital Com or a relevant person, or associate, or a person (in)directly linked by control to Capital Com, carries on the same business as our client;

(f) Capital Com or a relevant person, or associate, or a person (in)directly linked by control to Capital Com, receives or will receive from a person other than our client an inducement in relation to a service provided to our client, in the form of monies, goods or services, other than the standard commission or fee for that service;

(g) Capital Com offers different types of financial instruments, thus may have an incentive to promote certain products over other;

(h) Capital Com or its third-party providers exercise discretion in the processing of corporate actions in relation to Stocks, including dividends or other distributions.

In assessing conflicts of interest, the Company considers both potential conflicts and conflicts that are inherent in the structure of certain services provided. In particular, where the Company provides services as principal or relies on third-party execution arrangements, certain conflicts arise as a natural consequence of the business model. The existence of such structural conflicts does not in itself mean that clients' interests will be adversely affected; however, they are identified and managed in accordance with this Policy.

In addition, given our business model, specific conflicts may arise in particular in connection with:

(a) Acting as counterparty/market maker for CFDs and KOs: Where the Company's profit or loss may be opposite to the client's profit or loss on the same transaction (i.e., the Company may profit when a client loses, and may incur losses when a client profits). This structural feature of the Company's business model gives rise to a conflict of interest, as the financial outcome of the Company may be directly linked to the financial outcome of the client's transaction.

(b) Price setting and execution parameters for CFDs and KOs: The Company may determine or influence prices, spreads and other execution parameters (including in stressed market conditions), which may affect the price at which client orders are executed and/or closed. In particular, during periods of increased market volatility, reduced liquidity or market disruption, spreads may widen and execution may occur at prices that differ from those observed in the underlying market. This may create a risk that clients receive execution outcomes that are less favourable than expected.

(c) Risk management and hedging: The Company may hedge (or not hedge) its aggregate exposure arising from client positions, and the timing and manner of such hedging may create a potential conflict between the Company's risk management interests and individual client outcomes. While such hedging activity is conducted in accordance with internal risk management principles, the timing and extent of hedging may influence the Company's overall exposure and may give rise to a potential conflict between the Company's risk management strategy and the interests of individual clients.

(d) Margin, close-out and stop/trigger events (where applicable): Where the Company applies margin requirements and may close or partially close positions according to contractual terms (including due to margin shortfalls), which may occur at a time and price that can be adverse to the client, especially during volatile markets or low liquidity. In fast-moving markets, automated margin controls and close-out mechanisms may be triggered rapidly and at prices that may be adverse to the client, particularly where liquidity is limited.

(e) Order transmission for Stocks via third parties: The Company may have commercial and operational dependencies on third parties for order routing, execution quality, settlement and corporate actions processing; those third parties may have their own interests, fees, routing logic, and constraints that can affect execution outcomes. The Company may have commercial and operational relationships with such third parties, which may include fee arrangements or technology dependencies. Such relationships may give rise to a potential conflict

between the Company's commercial interests and the client's interest in optimal execution and processing outcomes.

Although the Company adopts measures designed to prevent these conflicts from adversely affecting clients, certain conflicts are inherent in the nature of the services provided and cannot be completely eliminated.

*The above examples are only indicative areas of potential conflicts of interest.

## VI. Management of Conflicts of Interest

Capital Com has established and maintains appropriate organisational and administrative arrangements designed to prevent conflicts of interest from adversely affecting the interests of its clients.

Where conflicts of interest are identified, Capital Com takes reasonable steps to manage and control such conflicts in order to ensure fair treatment of clients. These measures are proportionate to the nature, scale and complexity of the Company's business and include, where appropriate, the following:

### *A. General measures*

The below measures were designed to ensure that conflicts of interest are identified, assessed and monitored on an ongoing basis and that the Company acts in accordance with its obligation to act honestly, fairly and professionally in the best interests of its clients:

a) governance arrangements and oversight by senior management and control functions;
b) identification and periodic review of conflict scenarios connected to products, services, third-party relationships and remuneration;
c) maintenance of a conflicts of interest register, which is reviewed at least annually, or more frequently where material changes to the Company's business, products, or services occur;

d) policies on best execution and order handling (including oversight of third-party execution arrangements used for stock transactions); and
e) controls aimed at ensuring fair client treatment, including monitoring of outcomes and complaint/incident analysis where relevant.

### *B. Independence*

Situations may arise where it is appropriate to manage conflicts of interest by requiring our employees to adhere to and observe a certain degree of independence. The following measures have been adopted by Capital Com for ensuring the requisite degree of independence:

a) measures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest (i.e. by establishing a Chinese wall, procedures governing access to personal data);
b) separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, our clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company;
c) removal of any direct link between the remuneration of relevant persons principally engaged with 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;
d) measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out services or activities (e.g., establishment of the four-eyes principle in supervising our activities);
e) 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 (e.g., separation of reception and transmission of orders from the dealing on own account investment services).

Where the Company acts as principal (i.e, for CFDs and KOs), we apply additional controls aimed at mitigating conflicts between (i) the trading and dealing functions function and (ii) client-facing functions, including information barriers and governance arrangements to support independent oversight of dealing activities. In this context, the Company applies additional governance and oversight arrangements, including monitoring of pricing methodologies, periodic review of execution outcomes, and segregation of responsibilities between trading and dealing functions, as well as with client-facing functions, in order to mitigate the impact of structural conflicts inherent in the principal basis model.

Where client orders in Stocks are transmitted to third parties, the Company applies due diligence, contractual safeguards and ongoing monitoring arrangements aimed at ensuring compliance with its best execution obligations and the fair treatment of clients.

### *C. Personal Transactions of employees*

The Company has introduced specific policies and procedures related with the personal transactions of its employees including financial instruments offered to clients, such as CFDs, KOs and Stocks (as defined under Annex 1 of this Policy) as these are defined under Annex 1 of this policy document. All Company's employees are aware of the restrictions on personal transactions detailed in the said policies and procedures, including among others the key information outlined below. The Company's employees that are involved in the provision of investment services or other activities are not allowed to enter into personal transactions that will cause any of the following:

1. enter a transaction prohibited under section 9 of the Market Abuse Law; and/or
2. misuse or cause improper disclosure of confidential information; and/or
3. enter a transaction that is likely to conflict with any obligations of the Company, or the employee, that are stated under law.

Where our employee has come into contact with information which is not publicly available to our clients or cannot readily be inferred from information that is so available, the employees must not act or undertake personal transactions or trade, other than as acting in good faith and in the ordinary course of our services to our clients, or on behalf of any other person, including the Company.

The employees must also not disclose any opinion other than in the normal course of business, if the person who is given the opinion is likely to enter a transaction which is contrary to the above. The employee also should not provide advice or provide to anyone any information, other than in the proper course of his/her employment, especially if it is clear that the person who is receiving such information will advise another party who might acquire or dispose of financial instruments to which that information relates.

Any client orders that have been relayed to any Company's employees must not be disclosed to another party. An employee of the Company who has knowledge of a potential client order must not carry out a personal transaction that is the same as the client order, if this will cause a conflict of interest.

### *D. Remuneration Practices*

The Company recognizes that remuneration is a factor that may influence the conduct of its employees. The Company has in place remuneration policies and procedures which set out appropriate governance to prevent remuneration structures which may incentivize employees to act contrary to their responsibilities or regulatory requirements. The respective policy has been designed in such a way so as to not create a conflict of interest that may lead relevant persons to favour their own interests or the Company's interest to the potential detriment of any client.

In particular, we seek to avoid remuneration structures that create undue incentives to encourage clients to trade excessively, to open or maintain leveraged positions, or to choose products that are not aligned with their interests.

### *E. Costs and Charges*

The Company provides to its clients appropriate information in good time with regards to all costs and charges associated with its services, in accordance with applicable regulatory requirements. Relevant details can be found on the Company's website.

### *F. Inducements*

The Company has *established policies and procedures for the cases, where the Company may pay and/or receive inducements (e.g., fees and/or commissions and/or any non-monetary benefits to and/or from third-parties)*. *Capital Com ensures* that *it will only accept and/or pay such fees and/or commissions* and/or any non-monetary benefits to and/or from any third parties at its own reasonable belief that such benefits will enhance the quality of the offered services to its clients and do not impair our duty to act in the best interests of our clients.

In particular, the Company works with third parties (including but not limited to affiliates) who refer prospective clients to the Company, and pays remuneration to such persons in connection with Client introduction activities. Such payments constitute inducements for the purposes of applicable MiFID II requirements and are subject to the quality enhancement assessment set out above. Affiliate remuneration may be structured on a cost-per-acquisition basis or on a fixed fee payment basis and is paid solely by the Company; no costs are passed on to or deducted from the Client's account. The Company has assessed, and continues to monitor such remuneration arrangements to ensure they are designed to enhance the quality of service provided to Clients and do not create incentives that are misaligned with Clients' best interests.

## VII. Disclosure of Conflicts of Interest

When the measures taken by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence that risks of damage to clients' interest will be prevented, Capital Com proceeds with the disclosure of conflicts of interest to you as a client.

Prior to carrying out a transaction or providing a service to a client, the Company must disclose any actual or potential conflict of interest. The disclosure will be made in sufficient time and in a durable medium and shall include sufficient detail (taking into account the nature of the client) to enable you to take an informed decision with services of the Company in the context of which the conflict of interest arises.

Clients will be given the opportunity to decide on whether or not to continue their relationship with us with no unreasonable obstacles.

The disclosure is a measure of last resort, to be used only in the aforementioned occasions, pursuant to the provisions of Article 23(2) of Directive 2014/65/EU (the "**MiFID II**").

Where we provide a specific conflict disclosure to you, this means that, for the relevant service and circumstances, the organisational and administrative arrangements adopted by the Company to prevent or manage the conflict of interest are not sufficient to ensure, with reasonable confidence, that the risk of damage to your interests will be avoided.

***Content of a specific conflict disclosure (what you will receive):***

Any specific disclosure will describe, in a sufficiently detailed manner and taking into account your client categorisation, at least:

(a) the specific conflict(s) of interest that have arisen (or may arise) in the provision of the relevant investment and/or ancillary service;
(b) the general nature and the source(s) of the conflict(s);
(c) the key risks to you that may arise as a consequence of the conflict(s) (for example, risk of receiving less favourable execution terms, risk of adverse pricing/spreads, risk of adverse outcomes linked to close-out

timing in volatile markets, or other relevant risks depending on the service); and

(d) the actions and measures we have taken to mitigate the risks, and any residual risk that may remain.

Following a specific disclosure, you may decide whether to proceed with the relevant service/transaction. If you choose not to proceed, you may refrain from placing the order or using the relevant service and/or you may request further information through our support channels.

## VIII.Record keeping

The Company keeps and regularly updates a record of investment or ancillary services or investment activities carried out by or on behalf of the Company in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service, may arise. The documentation, including among others the following, shall be maintained for a minimum period of 5 (five) years:

1. this Policy, including any functional variations if applicable;
2. conflicts of interest registry;
3. details of any review work carried out (including any decisions made on conflicts management);
4. any other documentation used to demonstrate the management of conflicts of interest.

Where a specific conflict disclosure is provided to a client, we record the disclosure and the relevant circumstances in our internal records, in line with applicable requirements.

## IX. Policy Updates

The Company reserves the right to review and/or amend this policy and arrangements from time to time. In the event we materially change this Policy, active Clients will be notified as in accordance with the Company's Terms and Conditions.

Any queries about this policy's application in relation to any aspect of conflicts of interest should be directed to the Compliance Function at compliance.eu@capital.com.

***Conflicts of Interest Policy - Version 2.1 - September 2026***

**Annex 1 - Definitions**

"**ADRs**" shall mean American Depository Receipts.

"**CFDs**" shall mean Contract for Differences.

"**CIF**" shall mean a Cyprus Investment Firm.

"**Client(s)**" or "**you**" shall mean the natural person or legal entity or the union of persons or group of assets devoid of legal personality who are clients of Capital Com.

"**Company**" or "**we**" or "**Capital Com**" shall mean Capital Com Group Ltd.

"**Cyprus Securities and Exchange Commission**" or the "**Commission**" or the "**CySEC**" shall mean the Cyprus Securities and Exchange Commission.

"**Del. Regulation 565**" shall mean the Delegated Regulation (EU) 2017/565 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

**"ETCs"** shall mean Exchange Traded Commodities.

**"ETFs"** shall mean Exchange Traded Funds.

**"ETNs"** shall mean Exchange Traded Notes.

"**KOs**" shall mean Knock Out Options.

"**Law 87(I)/2017**" shall mean the Investment Services and Activities and Regulated Markets Law of 2017.

**"MiFID II"** shall mean the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

"**Stocks**" or "**stocks**" shall mean transferable securities as defined under Article 4(1) point (44) of MiFID II, including among others, shares, ADRs, ETFs, ETNs and ETCs. The Company markets Transferable Securities commercially under the name "Stocks."