

HQBROKER

CONFLICT OF INTEREST

Policy on Interest Conflict

As a compliance with the Investment Services and Activities and Regulated Markets Law of 2007, the Company is obliged to create and implement a policy on conflicts of interest and provide a copy to all clients, as well as potential clients.

Moreover, the Policy must outline the Company's approach to conduct a fair management of any conflicts of interest that may arise from time to time between the managers and employees, employees and HQBroker's clients, and between one client and another.

Purpose

The Policy on Interest Conflict is created in order to specify in writing the Company's procedures for identifying, managing, and disclosing the conflicts of interest to reduce the client disadvantage risk and legal liability, as well as damage to the reputation and commercial interests of the Company. Furthermore, this Policy ensures that HQBroker abides by the legislative requirements and internal procedures of the Company.

Scope

The Policy on Interest Conflict is applicable to all the managers, employees, clients, or any other party that is involved directly or indirectly with the Company. This Policy is directed at determining, preventing, and managing conflicts of interest between the above mentioned parties.

Identifying an Interest Conflict

There are some occurrences when a conflict of interests from the HQBroker or its employees could come in conflict with the Company's duty to the client;

- The Company, a member of the staff, or a person directly or indirectly linked to HQBroker will most likely avoid a financial loss, or generate a financial gain at the client's expense;
- The Company, a member of the staff, or a person directly or indirectly linked to HQBroker has an incentive to favor another client's interest over a certain client's interest;
- The Company, a member of the staff, or a person directly or indirectly linked to HQBroker has a vested interest in the result of the transaction executed on the client's behalf, which is not parallel to the interest of the client in the result;

- The Company, a member of the staff, or a person directly or indirectly linked to HQBroker has received or will obtain an incentive other than the standard commission—in the form of money, services, or goods—in relation to a service provided to a client.

Managing Interest Conflicts

HQBroker have provided these procedures for clients to avoid any potential debacle regarding any possible interest conflicts. The procedures down below are updated and reviewed daily and are also subjected for modification in case a loophole can be spot.

Generally, the measures to be implemented for the management of interest conflicts in order to ensure the requisite level of independence include:

- Effective measures for the prevention of information exchange between people directly or indirectly connected to HQBroker who engage in activities that involve a risk of interest conflicts wherein the information exchange can damage the interests of a specific client or more than one client;
- Removal of direct connection between the remuneration of people directly or indirectly connected to HQBroker who are primarily involved in an activity and the remuneration of various persons who are directly or indirectly linked to HQBroker involved in carrying out another activity, wherein an interest conflict may emerge in relation to those activities;
- Supervision of people directly or indirectly linked to HQBroker whose main roles entail providing services or executing activities on the client's behalf, wherein the interests of the clients may come in conflict or reflect varying interests that may conflict, including those of HQBroker;
- Procedures that will prevent the simultaneous involvement of a person directly or indirectly linked to HQBroker in a separate activity or service, wherein the engagement in such activity may hinder the effective management of interest conflicts;
- Procedures that will prevent any individual from employing unsuitable influence over the manner by which a person directly or indirectly connected to HQBroker execute investment services or other related activities.

Directives and Regulations

These are some of the following measures and rules that are currently established:

- Employees must abide by the rules, regulations, and procedures of relevant authorities, code of business conduct for Investment Companies, as well as the individuals employed by them.
- Employees must be eligible for the similar benefits as those of the parent Company in order to avoid interest conflicts.
- Employees must abide by the same code of operations as the parent Company to avoid interest conflicts.
- Employees are strictly not allowed to trade for themselves on the HQBroker platform or any other platform.
- Employees are prohibited to trade on material non-public information. In the event that an employee holds material non-public information, the employee must inform the compliance officer or supervisor. Moreover, in this case, the financial instrument will be moved to the watch list or the restricted list.
- Employees are required to report to their supervisor in the event of a possible interest conflict related to a proposed transaction, or any special relationship that the employees have with a proposed transaction that may influence their judgment.
- Employees must provide a copy of the monthly report of their trades to the compliance officer, as well as a quarterly report of their personal holdings.
- Employees must pay attention to the timeliness of the execution of trades, ability to stay anonymous, commission rates, as well as the reduction of market impact and incomplete trades.
- The compliance officer will be assigned for reviewing the transactions of the company and its employees in order to ensure that client interests are prioritized. The compliance officer's role is extremely important since the rules and regulations, products and services, staff, as well as the business practices change from time to time. In relation to this, each employee will confirm in writing that they have received and have agreed to follow the Company's procedures manual every year.
- The compliance officer is responsible for documenting and acting accordingly in the event of a compliance breach. Moreover, the compliance officer has the right to implement a disciplinary action without the mediation of the management. If the breach cannot be resolved, the compliance officer may seek the help of the Board of Directors, senior executives, or an external consultant if necessary.
- The compliance officer must regularly report violations and other related issues to the supervisor or the Company's Board of Directors.

- Material information shall only be provided and limited to individuals who need to know these in order to execute their duties.
- Departments must be separated physically in order to restrict the information exchange within the firm and other firms that are under the same Group. This is essential for controlling the flow of material information and other sensitive information.

Compliance Officer and the Broker Department

We have a compliance officer whose responsibility includes deciding on what to permit or reject a transaction in the light of the interest conflicts. The compliance officer will also handle any interest conflict that may emerge from the transaction, the compliance officer will also be made liable on informing the Client of the matter in hand. The Assessment of Appropriateness is strictly implemented in order to ensure the effective monitoring of the compatibility of the delivery of brokerage services to Clients.

Prohibited Practices

All of HQBroker's employees must possess adequate knowledge of the forbidden practices in relation to transactions. Employees have the responsibility to inform the compliance officer in the event that any of these occurs:

- Employees are strictly not allowed to employ a special treatment to any of the Company's staff at the expense of their Clients.
- Employees are forbidden to utilize the Client transaction information for their own advantage.
- Employees are prohibited to disclose Client transaction information to any third party for their own benefit.
- Employees are not allowed to utilize any sensitive information from the Company for their account or that of any individuals they are related to.

Disclosure

When the measures undertaken by the Company are not adequate to ensure that the risks of damage to Client interest will be controlled or prevented, HQBroker will disclose the source and nature of the interest conflicts to a Client before conducting investment transactions with that Client.

The disclosure of such information will be provided in written form and will also cover substantial details that will allow the Client to make an informed decision in relation to the specific service wherein the interest conflict may emerge.

A copy of this Policy on Interest Conflict is uploaded on HQBroker's official website and may be amended from time to time. Before signing the service agreement, the Client shall acknowledge the existence of such Policy and shall agree to its Terms.

Furthermore, HQBroker holds the right to review and modify this Policy if deemed necessary. Further details regarding the Policy on Interest Conflict shall be provided upon request, and any inquiries regarding this Policy and the Company's arrangements shall be addressed to the Compliance Department.

Compliance Department Email: compliance@HQBroker.com

Additional Contact

Customer Support Department

Email: support@HQBroker.com