CONFLICT OF INTEREST POLICY (COI)

1. INTRODUCTION

This Policy sets out DREAMLINE COMMODITIES LTD. (here and after the Company) arrangements in connection with the identification, documentation, escalation and management of Conflicts of Interest, including where such Conflicts of Interest arise in the context of Trade Business and other connected regulations.

This statement applies to all employees. It also applies to contract workers. Managers of Units that engage contract workers must familiarize themselves with requirements in this policy and must exercise their supervisory duties accordingly.

2. WHAT CONFLICT OF INTERESTS IS?

The Conflict of Interest is a situation where one or more persons or entities have competed interests and the serving of one interest may involve detriment to another.

This policy applies to the extent that a Conflict of Interest gives rise to the risk of one or more of the following:

* the Company and/or an Employee failing to comply with legal or regulatory obligations;
* the Company and/or an Employee failing to fulfil a duty of care, trust or loyalty owed to another person or entity such as a client;
* employee’s professional judgement and objectivity being compromised and/or hindering the proper discharge of their duties and responsibilities;
* an Employee engaging in unethical conduct; and/or the Company obtaining improper advantage or treatment or giving rise to the appearance of impropriety and reputational damage, including as it relates to the manner in which business is awarded to or by the Company.

The Conflict of Interest under this policy includes both an actual Conflict of Interest (i.e., a Conflict of Interest that has arisen) and a potential Conflict of Interest (i.e., a Conflict of Interest that may arise given particular facts and circumstances). It also includes a perceived Conflict of Interest (i.e., a situation which may give rise to the perception of a Conflict of Interest), even where a Conflict of Interest may not in fact exist.

Certain Conflicts of Interest are persistent and need to be managed on an ongoing basis, while others may arise in relation to a single event (e.g., a transaction) and can usually be managed by one-off measures.

Failure to identify and appropriately manage Conflicts of Interest could result in inappropriate or a range of adverse consequences for clients, the Company and employees, such as reputational damage, damage to client relationships and loss of client business, regulatory sanctions, and risk of litigation.

To assist in the identification of Conflicts of Interest, Annex 1 includes non-exhaustive lists of: relationships where conflicts of Interest may arise, conflicts of Interest scenarios, as well as a sample of specific examples of circumstances in which these Conflicts of Interest arise.

3. APPROACH TO CONFLICTS MANAGEMENT

DREAMLINE (the Company) seeks to ensure that a Conflict of Interest does not adversely affect the interests of clients, the Company, its shareholders or other stakeholders through the identification, prevention or management of the Conflict of Interest.

Some Conflicts of Interest are not permitted as a matter of law or regulation and others are permitted so long as the Company has appropriate means by which to manage them. The Company may utilize a number of means (which may be used individually or in combination) to manage a Conflict of Interest including:

* organizational arrangements, described in Annex 2;
* policies, procedures and controls, described in Annex 3;
* disclosure designed to inform the affected parties of the Conflict of Interest and its likely impact on them, described in Annex 3;
* avoidance of the service, activity or matter-giving rise to the Conflict of Interest where the Conflict of Interest cannot be prevented or managed effectively using other means.

4. EMPLOYEE RESPONSIBILITIES

As part of the Company’s approach to conflicts management, employees must fulfil the responsibilities outlined below when performing their roles at DREAMLINE.

5. ALL EMPLOYEES

All employees are responsible for identifying and managing Conflicts of Interest on an ongoing basis and are required to:

* comply with this policy, rules and other applicable policies and procedures relating to the identification, documentation, escalation and management of Conflicts of Interest;
* act with integrity and exercise good judgement and discretion;
* act with the requisite degree of independence and objectivity when discharging their responsibilities at the Company;
* avoid, wherever possible, situations giving rise to Conflicts of Interest due to any of the following:
1. personal financial interest;
2. family members or close personal relationships;
3. previous, current or potential future involvement in an activity or endeavor (whether at the Company or externally);
4. different roles and responsibilities at the Company;
5. immediately notify their supervisor and Compliance of the existence and general nature of a Conflict of Interest.
* immediately disclose Conflicts of Interest to the chairperson, when participating in decision-making fora and, if the chairperson so determines, remove themselves from the decision-making process and not seek to influence such decisions any further;
* not be in a supervisory, subordinate or control relationship (having influence over conditions of employment) with closely related persons including family members or close personal relationships;
* not misuse information obtained in the course of working at the Company;
* manage work-related information on the basis of the Company’s need-to-know principle, respecting information barriers and duties of confidentiality at all times;
* challenge and escalate promptly issues of concern to their supervisors and Compliance so that Conflicts of Interest may be appropriately reviewed, managed and resolved;
* upon joining the Company and on a periodic basis thereafter, complete all attestations required by Compliance;
* comply with applicable rules, which require transactions and arrangements between the Company and a Related Party to be carried out on an arms-length basis.

6. SUPERVISORS

Employees, who act in a supervisory capacity, are required to:

* actively seek to identify, mitigate and, to the extent required by Unit procedures, document Conflicts of Interest in their area of responsibility, including in connection with any current or planned activities;
* assess any Conflicts of Interest reported to them to determine if a Conflict of Interest exists;
* determine, after consulting Compliance and other control functions as required, the best course of action to resolve, manage or avoid the Conflict of Interest, including further escalation to a higher management authority where necessary or the (temporary or permanent) withdrawal of oversight of a given matter or activity from the Employee concerned;
* review on an annual basis or more regularly any reported Conflicts of Interest to ensure these are being managed in accordance with any agreed resolution;
* allocate responsibilities to employees who report to them in a manner that does not lead to Conflicts of Interest and avoid allocation of responsibilities, which will compromise the independence of control functions of the Company.

7. SENIOR MANAGEMENT

Members of Senior Management are responsible for overseeing the identification, documentation, escalation and management of all Conflicts of Interest as they arise within their relevant areas of responsibility at the Company.

Members of Senior Management are required to:

* sponsor and encourage an appropriate culture which emphasizes the importance of ethical treatment of clients and the fair handling of Conflicts of Interest;
* be engaged in the implementation of policies, procedures and arrangements for the identification, documentation, escalation, management and ongoing monitoring of Conflicts of Interest;
* be engaged in the clear communication of policies, procedures and expectations and the sharing of best practice throughout the Company;
* adopt a holistic view to identifying potential and emerging Conflicts of Interest within and across business divisions and infrastructure functions and to facilitate informed judgements with respect to materiality and the manner in which conflicts are handled;
* raise awareness and promote adherence of employees in completing regular training both at induction and in the form of refresher training;
* sponsor systems and controls to document, track, manage and mitigate Conflicts of Interest risk, and regularly review their effectiveness;
* consider the implications and take corrective action, where required, in connection with performance measurements or incentive schemes that may incentivize an employee to act contrary to the duties and responsibilities owed to the Company and under applicable rules;
* utilize management information to remain sufficiently up-to-date and informed in connection with the matters listed above.

8. BOARD MEMBERS

Key obligations of Board Members of DREAMLINE entities in connection with Conflicts of Interest are as following:

* Board Members must generally act in the best interest of DREAMLINE they represent and ensure that procedures are in place so that transactions between DREAMLINE and/or another DREAMLINE entity are generally undertaken only on an arms-length basis. In this context, a Board Member:
1. may consider the aligned interests of the Company as an element in their decision-making process;
2. may give the Company’s interest significant weight where the Board Member considers this to be in the best interest of the relevant DREAMLINE entity;
3. has the responsibility to weigh the merits of DREAMLINE entity’s interests and the DREAMLINE’ interests in the decision-making process;
* Board Members must ensure that business decisions are unaffected by Conflicts of Interest and must therefore:
1. proactively identify Conflicts of Interest resulting from their Board position (whether as a member of the management or the supervisory function) and disclose such Conflicts of Interest as required by the applicable terms of reference and rules;
2. refrain from any action that might be detrimental to DREAMLINE for which they are a Board Member. Material Conflicts of Interest, individually and collectively, should be adequately documented, communicated to, discussed and duly managed by the relevant Board;
* In general, a Board Member must not be involved in any kind of business which is in competition with DREAMLINE in which the Board membership is held without prior approval by the shareholders of the relevant DREAMLINE entity or the Board, as applicable under the relevant rules;
* A Board Member cannot represent DREAMLINE in dealings with himself or herself, or with a third-party represented by himself or herself, unless the relevant rules permit such representation on the basis of consent (for example, by way of shareholders’, supervisory or unitary management board resolution) and such consent is granted.

ANNEX 1: Conflicts of Interest relationships, scenarios and specific examples.

1. Relationships giving rise to Conflicts of Interest (non-exhaustive) Conflicts of Interest under this policy arise in a variety of relationships that are often closely related and may overlap. This includes Conflicts of Interest that arise between:

* сlient and the Company, an employee or a third-party representative;
* two or more clients in the context of the provision of services by the Company;
* the Company and an employee, vendor, third-party representative or material shareholder;
* two or more units, employees or DREAMLINE’ entities; or
* DREAMLINE and its entities.

2. Conflicts of Interest scenarios (non-exhaustive).

A non-exhaustive list of common Conflicts of Interest scenarios is set out below.

2.1. Client-related conflicts

Conflicts of Interest relating to clients can be broadly described as scenarios where the Company, an employee or a third-party representative:

* is likely to make an inappropriate financial gain or avoid financial loss at the expense of a client;
* has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client which is different from the client’s interest in that outcome;
* has a financial or other incentive to favor the interest of a client or group of clients over the interests of another client;
* carries on the same business as a client;
* 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 a standard commission or fee for that service; or
* has a financial or other incentive to favor the sale of a particular product or service to a client which is not in the best interest of the client.

2.2. Company-related conflicts

Conflicts of Interest relating to the Company can be broadly described as scenarios where:

* an employee’s interest in the outcome of a particular activity or endeavor differs from the Company’s interest;
* employee (or, where applicable, a family member or close personal relationship) receives a financial or other significant benefit as a result of the employee’s position at the Company that is inappropriate in nature;
* employee has the opportunity to influence the Company granting business or making administrative and other material decisions in a manner that leads to personal gain or advantage for the employee or a family member or close personal relationship;
* employee’s existing financial or other interest or previous engagement in an endeavor or activity or relationship with another person, impairs or could impair their judgment or objectivity in carrying out their duties and responsibilities to the Company;
* employee favors interest of one unit of the Company over another unit of the Company which is inconsistent with the best interest of the Company including in connection with the selection of vendors;
* Conflict of Interest arises in connection with a transaction or arrangement entered into between the Company and a material shareholder or between DREAMLINE due to the close relationship between the parties.

3. Specific examples of Conflicts of Interest (non-exhaustive)

The below is a sample, drawn from the Company’s Conflicts of Interest Taxonomy, of specific examples of transactions and activities at the Company that may give rise to Conflicts of Interest which require appropriate management, mitigation or prevention:

A Conflict of Interest may arise between the Company and a client if the Company is involved in allocating a product, service, because the Company may be incentivized to allocate or price the transaction in a manner which favors itself or certain investor clients (in return for example, for promises of reciprocal business), which may result in detriment to the Company’s seller/borrower client or other investor clients.

A Conflict of Interest arises between the Company, an employee and a client if, instead of fulfilling the client’s goals, the employee engages to the detriment of the client in “churning” by excessive buying and selling, principally to generate commissions for the benefit of the Company and the employee.

A Conflict of Interest arises between the Company, an employee and a client if the employee engages to the detriment of a client in cross selling activities or providing multiple service/products to the client, which are not in the best interest of the client principally to generate higher fees or revenue on behalf of the Company.

A Conflict of Interest may arise between the Company, an employee and a client if the Company and/or an employee is in possession of confidential information or inside information relating to a client, and the Company, the employee and/or another client of the Company has an interest in the use of that information that is divergent from, and may be detrimental to, the interests of any other Client or other party to whom the Company owes an obligation.

A Conflict of Interest may arise between the Company, an employee, a client or a vendor if an employee deals with individuals who are family members or close personal relationships in the course of conducting business for, or on behalf of, the Company because the dealings may compromise or otherwise call into question the employee’s judgement, ability to act objectively or properly discharge their duties and responsibilities owed to the Company and/or clients, or otherwise give rise to the risk of reputational damage to the Company, including the risk of, or appearance of, impropriety how business is awarded to or by the Company or the Company having obtained an improper advantage or treatment.

A conflict of interest may arise between the Company, an employee, a client and/or a third-party if the Company and/or employees give or receive fees, commissions or other monetary and non-monetary benefits that may inappropriately influence the Conflicts of Interest policy.

A Conflict of Interest arises between the Company and clients if the Company is pitching to, or acts for, opposing sides of the same transaction/situation.

A Conflict of Interest arises between the Company, an employee, clients and other market users if the content of a research report or other public statement does not represent the research analyst's genuinely held beliefs because they are influenced by the interest of a particular business division of the Company, the Company as a whole, a client, another third-party or the employee concerned.

A Conflict of Interest arises between the Company, employees, clients and other market participants if the Company is buying and selling securities on a portfolio immediately at or near the end of the reporting period to create a false appearance at the end of the reporting period, (for example to make the portfolio look more profitable or otherwise healthier than it has been), creating a false and misleading impression to the detriment of clients or other market participants.

ANNEX 2: Description of organizational arrangements relating to Conflicts of Interest.

1. Internal Governance Arrangements.

1.1. Board Governance.

The respective terms of reference for the Management Board and the Supervisory Board set out the obligations of these bodies relating to the management of Conflicts of Interest. The Supervisory Board is responsible for decisions with respect to Conflicts of Interest of Supervisory Board members in accordance with applicable law. In addition, minimum governance requirements for the Company’s legal entity boards are set forth in the Board Governance Policy.

1.2. Segregation of functions and duties

The Company structurally segregates its business divisions and infrastructure functions to allow for their independence. This segregation is reflected in the composition of the Management Board, its terms of reference and the Management Board’s business allocation plan.

Under the Risk Management Principles, the Company also operates an internal control environment underpinned by a “Three Lines of Defense” framework that requires the independence of control functions, including Compliance, Risk, and Audit.

Additionally, Business Divisions implement policies and procedures and systems and controls so that one person or unit does not execute all phases of a transaction, including applying a “four eyes” principle to avoid or mitigate the risk of asset or information loss.

1.3. Committee Governance

Each committee of the Company is required by the Company’s Committee Governance Policy to have terms of reference in place. These terms must include the requirement for members of committees to consider potential Conflicts of Interest when determining the composition of the committee, taking into account the tasks and responsibilities of that committee.

Further, the terms of reference must require committee members to disclose potential Conflicts of Interest on an ongoing basis to the chairperson and for the chairperson to take appropriate action to resolve such Conflicts of Interest.

2. Conflicts of Interest - Minimum Standards Framework.

The COI Framework for the oversight and governance of Conflicts of Interest consists of the four elements set out below.

2.1. Company Conflicts of Interest Register

The Company maintains a register that records the types of Conflicts of Interest that have arisen or may arise in the course of the Company’s regulated services and activities or otherwise by virtue of the Company’s structural or business practices.

2.2. Business Selection Compliance

The Business Selection Compliance is a function that is independent of the Company’s business divisions and has four primary responsibilities under the COI framework:

* oversight of the operation of the Company’s transactional conflict clearing and business selection process, as well as other means of transactional conflict resolution;
* assisting in the management and resolution of episodic conflicts that may arise outside of the conflict clearing process;
* general oversight of, and annual reporting to the Management Board on, Conflicts of Interest oversight and governance activities conducted by units;
* the creation and maintenance of the Conflicts of Interest taxonomy.

2.3. Units COI Oversight and Governance

The COI framework sets out minimum standards for Conflicts of Interest oversight and governance in each unit, including:

* the operation of an oversight body;
* the regular reporting to the unit’s executive committee;
* maintenance of a Conflicts of Interest register, mitigation procedures and controls, and clearly defined escalation processes;
* conduct of regular risk assessments;
* provision of training to employees of the unit;
* the establishment of appropriate organizational and supervisory arrangements; and, where applicable,
* management of disclosure of Conflicts of Interest to clients.

In addition, business divisions are required to undertake product reviews, new product and transactional approvals and assessments of suitability and appropriateness as applicable, all of which are targeted at identifying, escalating and managing Conflicts of Interest.

2.4. COI Compliance

Compliance, as the 2nd line controls function, is the “Risk Type Controller” for the Conflicts of Interest Risk Type. In this capacity, Compliance is responsible for the development of related policies, the testing of controls implemented by Business Divisions and the regular risk assessment of Conflicts of Interest Risk Type management by the Company.

Compliance is also responsible for certain aspects of the Company’s overall conflicts management including processes relating to employee trading and outside business interests.

ANNEX 3: Description of policies, procedures and controls.

The Company employs a number of systems, controls, policies and procedures to manage Conflicts of Interest, including those summarized below.

1. General Policies, Procedures and Controls

1.1. Information Barriers and Compliance Control

In accordance with the Information Barriers Policy, the Company maintains Information Barriers that are designed to restrict information flows between different areas of the Company. These restrictions enable the Company and employees to carry out business on behalf of clients without being influenced by other information held within the Company, which may give rise to a Conflict of Interest.

For the avoidance of doubt, and consistent with the Company’s “need-to-know principle”, where an employee is required by any other policy or procedure of the Company to share information with other employees (including employees in different group entities or different business lines), the employee is required to do so in accordance with such policy or procedure provided that such sharing of information does not breach this Conflicts of Interest Policy or any related policies and procedures.

DREAMLINE’ Compliance Unit helps maintain the integrity of these Information Barriers by identifying non-public information through a watch list, monitoring the flow of this information within the Company and, where necessary, restricting activities based on this information through the Company’s Restricted List.

These measures enable the Company to identify and manage potential Conflicts of Interest arising from sales, trading and research activities in the period before, during and after transactions.

1.2. Disclosure and Consent

In certain circumstances, the Company may determine that its arrangements to prevent or manage Conflicts of Interest may not be sufficient to protect a client’s interest from material damage and the client must be made aware of this.

Alternatively, the Company may decide in particular circumstances that a client should be made aware of the potential for a Conflict of Interest and the arrangements that will be put place to manage the conflict. Where permissible under rules and appropriate, disclosure to an affected client may be made to inform the client of the arrangements and/or to specifically seek client consent to act.

1.2. Escalation

The Company operates internal escalation processes for Conflicts of Interest, with each unit having the responsibility of defining and documenting their respective processes under the COI Framework.

The escalation processes are required to enable the Conflict of Interest to be escalated on a timely basis and considered at an appropriate level of seniority and by the correct stakeholders to arrive the most appropriate resolution.

1.3. Whistleblowing

The Company provides appropriate channels through the raising concerns Whistleblowing Policy for the reporting/whistleblowing of Conflicts of Interest within the Company where an employee considers this to be the appropriate channel to draw the matter to the attention of the Company.

2. Policies, Procedures and Controls relating to specific activities

2.1. Client Order Handling

Conflict of Interest may arise where an employee receives, transmits, executes or otherwise handles a client’s order. The Company has policies in place to manage such Conflicts of Interest and thereby protect client’s interests, requiring employees to act honestly, fairly and professionally in accordance with the best interests of a client and prohibiting improper conduct by the company’s traders, such as front-running client orders.

2.2. Benchmarks

A Conflict of Interest may arise where the Company and its employees engage in Benchmark activities. The Company maintains procedures to be followed in order to manage these Conflicts of Interest, including inter alia:

* requirements relating to the remuneration of employees involved in Benchmark submission;
* procedures and training to prevent or control information flows involving employees engaged in Benchmark activities;
* specific escalation and resolution mechanism where material Conflicts of Interest are identified.

2.3. Research Independence

A Conflict of Interest may arise where the content of research reports or other public statements by a research analyst do not represent the analyst’s genuinely held beliefs because they have been influenced by the interests of a particular business division of the Company.

No one may place inappropriate pressure on a research analyst with respect to the content or timing of a research report or a public statement made by that analyst. The supervisory structure, reporting lines and compensation criteria for research and research analysts are designed to maintain the independence of research from other areas of the Company.

2.4. Inducements

A Conflict of Interest may arise where the payment or receipt of an inducement would create an incentive for the Company to act in a way other than in the best interests of its client. The Company has established policies, procedures and controls with regard to the payment and receipt of Conflicts of Interest Policy – DREAMLINE’ inducements in order to assess their appropriateness and manage any Conflict of Interest that may arise.

2.5. Remuneration Practices

A Conflict of Interest may arise where the Company’s remuneration practice could incentivize an employee to act contrary to their responsibilities, regulatory requirements or the Company’s Code of Conduct. DREAMLINE has a compensation framework in place to align compensation practices to avoid such an incentive.

2.6. Outside Business Interests

A Conflict of Interest may arise between an employee’s Outside Business Interests and the interests of the Company and its clients. The Outside Business Interests policy, imposes disclosure and approval requirements, enabling the identification, management and, where necessary, prohibition of Outside Business Interests that may give rise to Conflicts of Interest.

2.7. Gifts and Entertainment

A Conflict of Interest may arise where an employee receives or offers a gift or entertainment that constitutes an inappropriate incentive for an employee, third-party representative, client or vendor to act in a certain way. The Anti-Bribery and Corruption Policy (ABC) does not permit the offering or acceptance of gifts or entertainment by an Employee unless it is reasonable, proportionate and for a legitimate business purpose.

Where applicable, employees must obtain pre-approval for gifts and entertainment and approval will depend, among other criteria, on whether it may give rise to a Conflict of Interest.

2.8. Vendors and Third-Party Representatives

A Conflict of Interest may arise in the Company’s interaction with vendors and third-party representatives where, for example, an employee involved in the procurement or hiring process has a close relationship with a particular vendor or third-party representative.

The Company has a Procurement Policy and operates multiple systems, controls, policies and procedures to manage these interactions, including due diligence requirements, contractual arrangements and an obligation on employees to disclose matters that might give rise to a Conflict of Interest.

In addition, where a vendor is also an actual or potential client of the Company, the Company seeks to manage these relationships independently and on an arms-length basis under rules of engagement established between the Company, vendors and clients in order to manage any Conflicts of Interest.