



CONFLICTS OF INTEREST POLICY

PM MTF LTD.

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1. Document History

Date	Version	Description
22 July 2025	1.0	Approval of Version 1.0 and implementation as binding to the Company

2. Introduction and Scope

PM MTF Ltd (hereinafter referred to as the "Company") is a Cyprus Investment Firm ("CIF") licensed and regulated by the Cyprus Securities and Exchange Commission ("CySEC") under license number 458/25, authorised to operate a multilateral trading facility ("MTF").

This Conflicts of Interest Policy (the "Policy") contains information on how the Company identifies, manages and where possible, mitigates, or where applicable, discloses any conflicts of interest which may arise during the course of the business relationship between the Company and its clients (i.e. the members of the MTF) ("Members"), between the Members and between the Members and other entities in the Perpetual Group.

Conflicts of interest may arise in situations in which the interests of one party interfere with (or appear to interfere with) the interests of another party. This may impair the ability of one or both parties to act fairly and ethically, i.e. its objectivity to take a decision in the course of its professional obligations. A conflict of interest by itself is not evidence of wrongdoing. However, a conflict of interest can become a serious legal, regulatory or reputational issue if it is not identified and managed effectively.

The Policy applies to all individuals (which include the Company's directors, officers, employees appointed representatives) as well as to entities of the Perpetual Group.

3. Potential Conflicts of Interest

A conflict of interest is a situation, arising in any area of the Company's business, where the Company or an employee of the Company is in a position to exploit a professional or official

capacity in some way which may benefit the Company, or an employee of the Company, or a client of the Company, whilst potentially damaging the interest of another client of the Company.

The affected parties where conflicts of interest arise can be between the Company, its employees or its Members. More specifically, a conflict of interest may arise between the following parties:

- Between a Member and the Company (or other companies within the same group, the employees and directors);
- Between two Members trading on the MTF;
- Between the Company and its employees; or
- Between a Member of the MTF and an employee/manager of the Company.

For the purposes of identifying the types of conflicts of interest that may arise in the course of operating the MTF, the following potential conflicts of interest have been identified by the Company:

3.1 Preferential Treatment of Certain Members

Preferential treatment occurs when the MTF provides unfair advantages to certain members over others. This may involve:

- **Order Execution Priority:** Certain members receive priority in trade execution over others, regardless of price-time priority rules.
- **Access to Market Data:** Some members may receive faster or more detailed market data than others, allowing them to trade with an unfair advantage.
- **Exclusive Fee Discounts:** A subset of members (e.g., market makers, high-frequency traders) may benefit from lower fees that are not available to other traders under the same terms, creating an uneven playing field.
- **Selective Liquidity Provision:** The MTF may provide incentives or exclusive arrangements that allow certain firms to act as liquidity providers in a way that disadvantages others.
- **Technology Access Conflicts/co-location:** Offering faster access or lower latency execution to certain firms only for additional fees or offering co-location services in a way that gives some members an unfair advantage over others.

These practices could create an unfair trading environment and may lead to market manipulation, reduced transparency, and loss of investor confidence.

The Company, under MIFID II is required to operate in a fair, transparent and non-discriminatory manner, ensuring that no member receives unfair treatment. Preferential treatment leads to conflicts of interest when:

- The MTF operator has an economic incentive to favor certain members, such as affiliated trading firms, high-frequency traders (HFTs), or large institutional clients.
- The MTF's revenue model relies on high trading volumes from a specific set of members, leading to biased decision-making in their favor.
- The MTF's governance and operational processes lack proper conflict management policies, allowing staff or management to act in ways that benefit specific traders.

Mitigation measures implemented:

The Company, as a MiFID II regulated firm operating the MTF, has implemented the following measures:

- **Transparent and Non-Discriminatory Access Rules**
 - The Company has published on its Website clear, objective, and transparent membership criteria.
 - Membership rules do not favor or exclude members unfairly.
 - Any tiered fee structures are justified and made public.
 - All co-located members use identical cable lengths and infrastructure to ensure equal latency.
 - Each API class (WebSocket, FIX, REST) provides equal treatment to all members within that class, though different protocols have inherently different performance characteristics.
- **Fair Access Infrastructure:**
 - Standardized network equipment and configurations for all members.
 - Regular audits of connectivity and performance metrics.
 - Transparent documentation of system architecture and access specifications.
 - Equal opportunity for all members to upgrade or modify their connectivity within established guidelines.
- **Fair Order Execution and Market Data Distribution**

- Execution Rules: Orders are executed based on pre-established, non-discriminatory criteria (e.g., price-time priority).
- All state changes from the matching engine are broadcast simultaneously via multicast to co-location clients, ensuring all participants receive updates at the same time.
- Latency Monitoring: The Company continuously monitors latency across all access methods to identify and address any potential advantages or disadvantages between market participants.
- **Pre-Trade and Post-Trade Transparency**
 - Pre-Trade Transparency: The Company publishes quotes, order book depth, and other relevant information in a fair and transparent manner.
 - Post-Trade Transparency: Execution details (e.g., price, volume, time) are published to ensure all members can assess market fairness.
- **Surveillance and Monitoring of Trading Behavior**
 - The Company has implemented real-time monitoring and surveillance to detect and prevent unfair trading advantages.

3.2 Conflicts Related to Operator Engaging in Proprietary Trading

Such conflicts arise where the Company is likely to make a financial gain or avoid a financial loss, at the expense of a member of the MTF.

However, the Company does not take counterpositions on the MTF, therefore such a conflict will not arise.

3.3 Conflicts Between Members

Conflicts between Members may involve:

- Preferential Access to Liquidity: Allowing certain members (e.g. high frequency traders or market makers) better access to liquidity than others or deliberately slowing down execution for some members while favoring others.
- Unequal Handling of Order Types: Offering special order types to select members that others do not have access to or prioritising orders from certain members over others.

Mitigation measures implemented:

The Company, as a MiFID II regulated firm operating the MTF, has implemented the following:

- **Transparent and non-discriminatory access rules:**

The Company ensures that all members have equal access to the MTF without preferential treatment by:

- Published Access Criteria: the access criteria are defined and published on the Website;
- Non-Preferential Membership Structures: the Company discloses the different membership structures that a member can obtain.
- Fair Latency Management: the Company continuously monitors latency across all access methods to identify and address any potential advantages or disadvantages between market participants.

- **Fair and Equal Order Handling**

The Company strives to prevent unfair advantages in order execution such as preferential order matching, hidden liquidity, or special execution conditions by following:

- Price-Time Priority Execution: Orders are executed strictly based on price-time priority to avoid favoritism.
- Uniform Order Handling Rules: all order types (market, limit, stop orders, etc.) are processed based on transparent and pre-defined rules.

- **Transparent Market Data Distribution**

The Company aims to prevent unfair advantages that arise from preferential access to market data, which could lead to information asymmetry by:

- Simultaneous market data release: All members receive market data at the same time.
- Fair data fees: Market data should be available on reasonable commercial terms to all members.
- No private data feeds: arrangements where select members get deeper insights into the order book are avoided.

- **Surveillance and Prevention of Market Manipulation**

The Company aims to prevent practices such as front-running, order anticipation or unfair trading advantages, by:

- Real-Time Trade Surveillance: The Company implements monitoring tools to detect abnormal trading patterns.
- Preventative Controls on Algorithmic Trading: are in place to ensure that high-frequency trading (HFT) should not lead to unfair market advantages.
- Regulatory Reporting: The Company reports suspicious trading behaviour to the regulatory authorities under the Market Abuse Regulation (MAR).

- **Clear and transparent fee structures**

The Company aims to prevent conflicts arising from unequal transaction costs, rebates or incentives favoring specific members, by:

- Non-Discriminatory Fees: The Company ensures that fee structures do not favour members of the same class.
- Transparent Rebates: If offering rebates (e.g. to market makers), these should be publicly disclosed and accessible to all eligible members.

- **Governance and Independent Oversight**

The Company ensures that conflicts of interest are identified and managed at governance level by:

- Independent Compliance Oversight: The Chief Compliance Officer monitors trading fairness.
- Regular Conflict of Interest Audits: The Company conducts periodic reviews to ensure no member receives unfair advantages.
- Clear Internal Policies: The Company documents its conflicts of interest policy and ensures staff adhere to it.

- **Best execution and Trade Transparency**

The Company ensures that all members receive the best possible execution outcomes without hidden favouritism by:

- Pre-Trade Transparency: Information on bid/ask prices and order book depth are published in real time.
- Post-Trade Transparency: Executed trades, including prices and volumes, are disclosed, so members can assess fairness.

- **Regular engagement with Members**

The Company aims to maintain an open dialogue with members to prevent and resolve conflicts by engaging with traders and institutions to ensure equal access and fair treatment.

3.4 Conflicts between the Company or group entity and other Members

Conflicts between the Company or a group entity and other Members may involve:

- Preferential order execution of group entities that may become members on the MTF.
- Access to privileged market data or liquidity for related entities.
- Fee discounts or rebates to preferred Members.

Mitigation measures implemented:

The Company, as a MiFID II regulated firm operating the MTF, has implemented the following:

- **Transparent and non-discriminatory criteria:** The Company applies transparent and non-discriminatory membership criteria for all Members.
- **Price-time priority execution:** The Company ensures price-time priority execution for all members without favouritism.
- **Disclosures:** The Company discloses any relationships between the Company and its Members to regulators.
- **Fees and market access:** Fees and market access are the same for all members.
- **Affiliated entities:** Entities that are directly or indirectly part of the group of the Company may be issuers of products listed or traded on the MTF. Such a relationship will be disclosed transparently to all persons involved, in particular to clients (for example, by highlighting the relationship in the Securities Prospectus). There will be a Chinese Wall between the issuer and the Company.

3.5 Conflicts between the Company and its employees

Conflicts between the Company and its employees may involve:

- Employees trading for personal gain (e.g., front-running, insider trading).
- Employees favoring certain Members due to personal or financial incentives.
- Internal misuse of confidential trade data to benefit related parties.

Mitigation measures implemented:

The Company, as a MiFID II regulated firm operating the MTF, has implemented the following:

- **Personal Trading Restrictions:** Employees are prohibited from trading on the MTF for personal accounts. Moreover, the employees are required to obtain the Company's pre-approval for any personal investment through MTF Members.
- **Whistleblowing & Internal Reporting:** The Company has in place anonymous reporting mechanisms for conflicts of interest and conducts mandatory annual training for all employees.

3.6 Conflicts between a Member and an employee of the Company

Conflicts between a Member and an employee of the Company may involve:

- Employees may accept gifts, favors, or bribes from Members in exchange for preferential treatment (which is prohibited)
- Employees may leak proprietary market information to favored Members.
- A Member may try to influence order execution by exerting pressure on MTF staff.

Mitigation measures implemented:

The Company, as a MiFID II regulated firm operating the MTF, has implemented the following:

- **Prohibition of Gifts & Inducements:** Employees are banned from accepting gifts or financial incentives from Members and are required to disclose any external financial relationships with Members.
- **Strict Order Execution Procedures:** Trade execution is automated and this reduces human bias.
- **Ethical Training & Compliance Culture:** The Company conducts mandatory ethical and compliance training for all employees and reinforces a zero-tolerance policy on conflicts of interest.
- **Regular Audits & Internal Reviews:** The Company conducts randomized transaction audits to detect unusual trading patterns and requires employees to sign annual conflicts of interest declarations.

4. Reporting Conflicts of Interest

In the case of identification of a possible conflict of interest, a staff member must refer it initially to their immediate supervisor to assist in the assessment of a risk of damage and send to the Company's Head of Compliance a completed Conflicts of Interest Notification Form together with full details to allow regulatory scrutiny, of:

- corrective and preventative actions;

- how these actions were considered appropriate;
- any conditions imposed; and
- whether any conflicts remain ongoing, how they are being managed, and how they have been communicated to the client.

5. Managing Conflicts of Interest

In general, the procedures and controls that the Company follows to manage any identified conflicts include the following, but not limited to, measures (non-exhaustive list of measures):

5.1 Disclosure

The employees of the Company are obliged to disclose all business interests before commencing their employment with the Company and are under an obligation to update the Company of any changes to such business interests throughout their employment with the Company.

5.2 Independence

The following measures have been adopted by the Company for ensuring the requisite degree of independence:

- 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).
- Separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, Members whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company. The Company's department whose interests may conflict with Members is the Market Surveillance Department and/ or the Marketing Department.
- 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:
 - When the Company's Management decides to reward employees with a variable remuneration, the Company checks and ensures that (1) the annual variable remuneration of any employee cannot exceed his/her annual fixed remuneration, unless otherwise approved by the Board of Directors; (2) that the variable remuneration package does not lead to aggressive behaviour that might be for the detriment of Members.

- The Compliance Officer is required to approve all variable remuneration schemes, and the Company is required to disclose or make readily available these schemes to all Members as a measure of last resort where the effective organisational and administrative arrangements established by the Company to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented.

5.3 Chinese Wall

Chinese walls are information barriers that are used to prevent inside or highly confidential information possessed by one part of the business from being inappropriately passed to, or obtained by, another part of the business.

When a Chinese wall is used as a way of managing conflicts of interest, individuals on the other side of the wall will not be regarded as being in possession of knowledge denied to them as a result of the Chinese wall. For example, where arrangements have been put in place to ensure that entities belonging to the same group operate independently of each other with effective Chinese walls, the entities shall not be deemed to have knowledge of each other for conflicts of interest purposes.

The Company has taken appropriate measures to restrict the flow of information between certain Departments within the Company. First and foremost, the Management bestowed upon the Compliance Department enough executive authority to establish and safeguard its independence from all other Departments within the Company. The Compliance Officer has unrestricted access to all information and to all Departments and reports directly to the Board of Directors and Four Eyes Committee (if applicable).

The Company ensures that the provision/ receipt of inducements by the Company or relevant persons comply with the applicable inducements' rules/ restrictions.

The Company has implemented Chinese walls around the following business areas:

- the Company and any group entity that interacts on the MTF of the Company;
- Internal Audit Function and Compliance Function.

The Company has taken appropriate measures to restrict the flow of information between certain Departments / Functions within the Company. As a first step, the Management authorized the Compliance Department to establish and safeguard its independence from all other Departments / Functions within the Company. The Head of Compliance has unrestricted access to all information and to all Departments and reports directly to the Board of Directors and Four Eyes Committee (if applicable). The same applies to the Internal Auditor Function.

Persons and entities located within a Chinese wall are prohibited from inappropriately passing information to those outside the wall, except with the approval of the Company's Head of Compliance, where it is appropriate to the service being provided to the clients.

The Company ensures that the provision/receipt of inducements by the Company or relevant persons comply with the applicable inducements' rules/ restrictions.

In addition, the Company ensures that physical separation exists, preventing and controlling the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest, for the following Departments:

- Compliance Department
- Back Office Function
- Accounting Department
- Market Surveillance Department
- Marketing Function

All control functions (i.e. the Compliance Officer, Risk Manager, Internal Auditor, External Auditor) are reporting directly to the Board of Directors and Four Eyes Committee and are strictly prohibited from making their annual and/ or other reports available to any employee, from any Department, prior to communicating the reports to the Board and Four Eyes Committee (if applicable) and obtaining their consent.

5.4 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, the Company proceeds with the disclosure of conflicts of interest to the client. Prior to carrying out a transaction or providing an investment or an ancillary service to a client, the Company must disclose any actual or potential conflict of interest to the client. The disclosure will be made in sufficient time and in a durable means and shall include sufficient detail, considering the nature of the client, to enable him to take an informed decision with respect to the investment or ancillary service 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 Company shall ensure that disclosure to clients pursuant to this section is a measure of last resort that shall be used only where the effective arrangements established by the

Company to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented.

The disclosure should:

- clearly state that the organizational and administrative arrangements established by the Company to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented;
- include a specific description of the conflicts of interest that arise in the provision of investment and/or ancillary services, considering the nature of the client to whom the disclosure is being made. The description shall explain in sufficient detail to enable the client to take an informed decision with respect to the investment or ancillary service in the context of which the conflicts of interest arise:
 - the general nature and sources of conflicts of interest;
 - the risks to the client that arise as a result of the conflicts of interest; and
 - the steps undertaken to mitigate these risks.

In the event that the Company is unable to manage a conflict of interest, it shall refer the matter to the client. Where line management is unable to resolve the conflict to the satisfaction of all parties, the final decision shall rest with the Head of Compliance.

5.5 Record Keeping

The Company's Head of Compliance keeps and regularly updates a record of the kinds of investment and ancillary service or investment activity carried out by or on behalf of the Company in which a conflict of interest entailing a risk of damage to the interests of one or more Clients has arisen or, in the case of an ongoing service or activity, may arise. The following documentation shall be maintained for a minimum period of five (5) years:

- This Policy, any functional variations if applicable;
- The internal Conflicts Log and the Conflicts Identification and Management Report;
- Rules, procedures and processes;
- Training material and training records;
- Conflicts of Interest Notification Forms;
- Details of any review work carried out (including any decisions made on conflicts management); and

- Any other documentation used to demonstrate the management of conflicts of interest.

Senior management shall receive on a frequent basis and at least annually, written reports on situations referred to in this section.

5.6 Responsibilities

The Company's Executive Directors are responsible for clearly allocating responsibility and delegating authority to accountable individuals to ensure that those involved are aware of their involvement and that the Conflict Officer has a sufficient level of authority and independence in order to carry out their responsibilities effectively.

The Company's Senior Management is required to:

- fully engage in the implementation of policies, procedures and arrangements for the identification, management and ongoing monitoring of conflicts of interest;
- adopt a holistic view to ensure the identification of potential and emerging conflicts within and across business lines;
- raise awareness and ensure compliance of relevant individuals by ensuring: regular training (including to contractors and third-party service providers' staff) both at induction and in the form of refresher training; the clear communication of policies, procedures and expectations; that awareness of conflicts procedures forms part of the performance review/ appraisal process, and that the best practice is shared throughout the Company;
- sponsor robust systems and controls and effective regular reviews to ensure that strategies and controls used to manage and mitigate risks remain appropriate and effective, and that appropriate warnings and disclosures are issued to clients where necessary;
- utilize management information to remain sufficiently up-to-date and informed; and
- support an independent review of the processes and procedures in place.

Individuals are required to identify new conflicts of interest arising out of the activities/services that they perform and engage in the process to notify line management upon identifying any potential conflict.

The Company's Head of Compliance is responsible for the day-to-day management of the implementation of this policy and, in particular, is responsible for:

- establishing the policy in relation to conflicts of interest;

- providing training oversight and support;
- monitoring compliance with arrangements;
- overseeing the management of conflicts;
- maintaining records in relation to conflicts of interest;
- determining whether a conflict of interest should be disclosed in accordance with this policy;
- reviewing and challenging the identification of conflicts and implementing any management actions; and
- providing appropriate internal reporting to the Board of Directors.

6. Members' Consent

During the procedure of the Company entering into an agreement with the clients, for the provision of Investment and/or ancillary services, requests the clients' consent to the application of the present Policy. Following the clients' consent, the Company is authorized and able to deal with the clients in any manner the Company considers appropriate, notwithstanding any conflicts of interest or the existence of any material interest within transactions, without prior reference to the clients.

7. Review of the Policy

This Policy shall be reviewed periodically and at least on an annual basis by the Company's Head of Compliance, and any changes shall be approved by the Company's Board of Directors. The Company shall take all appropriate measures to address any deficiencies.

Over-reliance on disclosure of conflicts of interest shall be considered a deficiency in the Company's Conflicts of Interest Policy.