

HMS'S POLICY FOR MANAGING CONFLICTS OF INTEREST

1. INTRODUCTION

- 1.1. This Policy is issued pursuant to, and reflects compliance with, the European Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (MiFID) and with the implementing Luxembourg legislation (the "Rules") that apply to HMS LUX S.A. ("HMS"). It is not intended to create third party rights or duties that would not already exist if the Policy had not been made available and it does not form part of any contract between HMS and any client or prospective client.
- 1.2. This Policy is an adjunct to HMS's overarching general obligation to act with integrity and fairness, both with its clients and with its counterparties.
- 1.3. This Policy is available to clients upon request and is also made available on our website at (<http://www.hmslux.com>). HMS reserves the right to amend or supplement this Policy at any time.

2. IDENTIFICATION AND GENERAL DISCLOSURE OF THE NATURE OF POTENTIAL CONFLICTS OF INTEREST AND OF THEIR SOURCES

- 2.1. HMS hereby identifies and discloses a range of circumstances, which constitute or may give rise to a conflict of interest, potentially but not necessarily entailing a material risk of damage to the interests of one or more clients. Such a material risk occurs if HMS or its Service Providers, or any person directly or indirectly linked by control to HMS, is likely to make a financial gain, or avoid a financial loss, at the expense of the client.
- 2.2. The identified circumstances are the following:
 - Generally offering client advisory services that are based on the particular interest of a specific client;
 - HMS may provide advice to third parties whose interests may be in conflict or competition with other clients' interests;
 - HMS or HMS's Service Providers may have an interest that is reverse to HMS clients' transactions, e.g. when clients trade in markets where HMS' service providers acts as a market maker;
 - HMS or HMS's Service Providers, the Service Providers' employees and related legal persons as well as HMS employees may have, establish, change or cease to have positions in securities, foreign exchange or other financial instruments covered by a recommendation or advice;
 - HMS or its Service Providers may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the client's personal objective of minimizing transaction costs;
 - Introducing Agents may have other interests than HMS and/or their clients;
 - Asset Managers may have other interests than HMS and/or their clients;
 - HMS's Bonus Scheme may award its employees based on trading volume etc.
 - Representatives of HMS or its Service Providers may be aware of large client orders to acquire or dispose of a large quantity of a particular financial product and either HMS or its representatives purchase (or sell) the financial product (derivative) beforehand.

3. MANAGING CONFLICTS OF INTEREST

- 3.1. "Investment research" is defined very broadly in the Rules as a document (other than a personal recommendation), which contains one or more of the following:
 - the results of research into a designated investment product or its issuer;
 - analysis of factors likely to influence the future performance of a designated investment product or its issuer; and
 - advices or recommendations based on those results and that analysis.
- 3.2. HMS mainly aims at distributing investment research to discretionary investment management clients, prospects and other third persons for information and educational purposes as part of HMS's activities and in circumstances in which HMS or its Service Providers will not reasonably be expected to have a material influence on a client's or a third person's investment decision.
- 3.3. In order to manage possible conflicts of interest, HMS and its service providers maintains processes, procedures and organizational arrangements, which are referred to hereinafter.
- 3.4. Critical arrangements of HMS's and its service providers Policy for managing conflicts of interest include the following:
 - All employees are bound by professional secrecy and confidential information is only to be shared if essential for performing a job function.
 - All clients are to be treated fairly.
 - All employees are at all times bound to act loyally to HMS and be in full compliance with its procedures and code of conduct.
 - Investment research is distributed internally at the same time as it is distributed to clients. Research analysts with the Service Providers do not provide Trading and Distribution personnel with advance knowledge of the timing and content of forthcoming publications;
 - Trading personnel are not permitted to review sections of publications containing recommendations, research summary, price targets or value recommendations, even to verify factual accuracy, prior to publication.
 - HMS requires its Service Providers to put in place controls and procedures (including where necessary physical separation) to regulate and, where appropriate, prohibit the flow of information between Research, Trading and Distribution;
 - Analysts of HMS's Service Providers are required to comply with the Service Providers rules and procedures on personal account dealing.