



SUMMARY OF CONFLICTS OF INTEREST POLICY



Introduction

Trading Point of Financial Instruments Ltd operating under the trading name XM.com is a Cypriot Investment Firm ("CIF") registered with the Registrar of Companies in Nicosia under number: HE 251334, and regulated by the Cyprus Securities & Exchange Commission ("CySEC") under license number 120/10 (hereinafter called the "Company").

The Company is operating under Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as the same may be in force from time to time and modified or amended from time to time (the "Markets in Financial Instruments Directive (2004/39/EC)" or "MiFID").

Following the implementation of the Markets in Financial Instruments Directive (MiFID) in the European Union and its transposition in Cyprus with the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007), the Company is required to provide its clients and potential clients with a summary of its Conflicts of Interest Policy (hereinafter the "Policy").

Under the above legislation, the Company is required to take all reasonable steps to detect and avoid conflicts of interest. The Company is committed to acting honestly, fairly and professionally and in the best interests of its clients and to complying, in particular, with the principles set out in the above legislation when providing investment services and other ancillary services related to such services.

Purpose

The purpose of this summary document is to set out the Company's approach to identify and manage conflicts of interest which may arise during the course of its business activities.

The aim of our Policy is to identify and prevent conflicts of interest which may arise between the Company and its clients or between one client and another. Accordingly, we have adopted a conflicts of interest policy setting out the procedures, practices and controls in place to achieve this.

Scope

The Policy applies to all its directors, employees, any persons directly or indirectly linked to the Company (hereinafter called "related persons") and refers to all interactions with all clients.

Identification of Conflicts of Interest

For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, the Company takes into account, whether the Company or a relevant person, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

1. The Company or relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
2. The Company or relevant person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
3. The Company or relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
4. The Company or relevant person carries out the same business as the client;
5. The Company or relevant person 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 the standard commission or fee for that service.

Procedures and Controls to Managing Conflicts of Interests

In general, the procedures and controls that the Company follows to manage the identified conflicts of interest include the following measures:

1. Effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
2. The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company;
3. The removal of any direct link between the remuneration of relevant persons principally engaged in 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;
4. Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;

5. Measures to prevent or control 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. Such measures include the following:
 - a. A 'need to know' policy governing the dissemination of confidential or inside information within the Group.
 - b. Chinese walls restricting the flow of confidential and inside information within our company, and physical separation of departments.
 - c. Procedures governing access to electronic data.
 - d. Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
 - e. Personal account dealing requirements applicable to relevant persons in relation to their own investments.
 - f. A gifts and inducements log registering the solicitation, offer or receipt of certain benefits.
 - g. The prohibition of external business interests conflicting with our interests as far as the Company's officers and employees are concerned, unless board approval is provided.
 - h. A policy designed to limit the conflict of interest arising from the giving and receiving of inducements.
 - i. Establishment of in-house Compliance Department to monitor and report on the above to the Company's Board of Directors.
 - j. Appointment of Internal auditor to ensure that appropriate systems and controls are maintained and report to the Company's Board of Directors.
 - k. Establishment of the four-eyes principle in supervising the Company's activities.
6. The Company also undertakes on-going monitoring of business activities to ensure that internal controls are appropriate;
7. The Company has a Compliance Department that is responsible for identifying and managing potential conflicts of interests. The above will also update the relevant internal procedures and ensure compliance with such procedures.

Disclosure

Where a conflict arises and the Company is aware of it, it will disclose the conflict to the client prior to undertaking investment business for that client or, if it does not believe that disclosure is appropriate to manage the conflict, we may choose not to proceed with the transaction or matter giving rise to the conflict.

The Company reserves the right to review and/or amend its Policy and arrangements, at its sole discretion, whenever it deems fit or appropriate.

Our Conflicts of Interest Policy is a policy only, it is not part of our Terms and Conditions of Business and is not intended to be contractually binding or impose or seek to impose any obligations on us which



we would not otherwise have, but for the Cyprus Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007).

Should you have a question about Conflicts of Interest please direct your questions to our Compliance Department: compliance@xm.com.