



Conflict of Interest Management Policy for Services Related to Crypto Assets



ILIRIKA





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Based on Article 72 of Regulation (EU) 2023/1114 on markets in crypto-assets (hereinafter MiCA) and COMMISSION DELEGATED REGULATION (EU) 2025/1142 of 27 February 2025 supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements for policies and procedures on conflicts of interest for crypto-asset service providers and the details and methodologies for the content of disclosures on conflicts of interest, ILIRIKA borzno posredniška hiša d.d. Ljubljana, Slovenska cesta 54A, Ljubljana (hereinafter: ILIRIKA or the company or we), adopts the following

CONFLICT OF INTEREST MANAGEMENT POLICY FOR SERVICES RELATED TO CRYPTOCURRENCIES

1.

1. Article

The conflict of interest management policy is adopted with the aim of establishing and maintaining an effective policy and effective control and management of conflicts of interest that may arise in the performance of individual services related to crypto assets and whose occurrence may harm the interests of ILIRIKA's clients or potential clients with a significant risk of causing damage, taking into account the characteristics, the scope and complexity of the transactions carried out by ILIRIKA in the field of services related to crypto assets.

With our rules for dealing with conflicts of interest, we implement these rules of conduct from Article 72 of MiCA in relation to the execution of orders for crypto assets for clients in accordance with Article 78 of MiCA and related delegated acts and other national implementing regulations (hereinafter: crypto-asset services).

2. Criteria and circumstances for determining conflicts of interest

2. Article

A conflict of interest may typically arise when a client places an order with us to buy or sell one or more crypto-assets and their expectations regarding the proper execution of the order conflict with those of other clients to whom we provide services or other market participants with opposing interests. However, these different expectations regarding the execution of orders cannot be completely excluded, as we execute orders for crypto assets for a large number of clients, and we also want to help our clients with other crypto asset services and our other services besides executing crypto asset orders. As conflicts of interest could compromise the company's professionalism and reputation, we have taken appropriate precautions in accordance with legal requirements to identify such matters at an early stage and deal with them appropriately.

3. Article

The company may have a conflict of interest if a related person

- has an economic interest in a person, organisation or institution whose interests conflict with those of the company;
- has a personal relationship with a person, organisation or institution whose interests conflict with those of the company, or has had such a relationship for at least the last three years;
- has a professional relationship with a person, organisation or institution whose interests are contrary to those of the company, or has had such a relationship for at least the last three years;
- has maintained or preserved a political relationship with a person, organisation or institution whose interests are contrary to those of the company for at least the last three years;
- performs conflicting tasks or activities, has been entrusted with conflicting responsibilities, or is hierarchically supervised by a person who has been entrusted with conflicting functions or tasks.

A conflict of interest may also arise if the company or a person connected with it

- enters into a cooperation agreement with market participants involved in the execution of orders for crypto-assets, in particular with a trading venue or other providers of services related to crypto-assets, enters into outsourcing agreements or grants or acquires intellectual property licence rights;
- offers only one trading venue for the execution of orders for crypto assets;
- the crypto-asset service that the company provides as an agent, i.e. the purchase or sale of crypto-assets, is also performed outside the trading platform in its own name and on behalf of the client.

Internal conflicts of interest may also arise due to the fact that

- the company or its related parties have information that is not yet publicly known at the time of execution of the order for crypto assets (inside information);
- a related person is also a shareholder of another company or has other ownership or membership rights in a company that provides services related to crypto assets;
- the company or a person connected with it has subscribed to the financial instruments of a crypto asset service provider that is included in the company's crypto asset service, or the company has granted loans to that service provider;
- the company's employees receive performance-related remuneration;
- the company or a person connected to it has an interest in a specific outcome of a transaction or the performance of a service related to crypto assets for political, personal or economic reasons;
- related parties or other persons acting on behalf of related parties carry out personal transactions with crypto-assets within the meaning of Article 6 of the RTS in accordance with Article 72(5) of MiCA ("RTS") ("personal transactions")

Furthermore, it is irrelevant whether a conflict of interest has already occurred or whether there is only a risk of it occurring. Our rules apply to both actual and potential conflicts of interest.

3. Risks in the event of a conflict of interest

4. Article

The occurrence of one or more of the above conflicts of interest that the company cannot prevent or manage by appropriate measures, as described below, may result in the crypto-asset services provided by the company not being provided in the best interests of the client. Such consequences could arise, inter alia, in the cases described below.

For example, the company or a related person may

- obtain a financial or other benefit or avoid a loss that also represents a financial or other loss for the client, for example, by not obtaining the best possible price for the client when executing orders for crypto assets, while the company obtains the best possible compensation or other advantages;
- have an interest in the outcome of a service provided to a client that differs from the client's interest, or be forced to give priority to the interests of one client over those of another;
- it carries out the same business activity as the client;
- it receives incentives from third parties in the form of monetary or non-monetary benefits related to the services provided.

4. Measures and procedures for preventing and managing conflicts of interest

5. Article

The company's management has established a comprehensive compliance organisation to avoid and manage existing and potential conflicts of interest to the greatest extent possible.

The business compliance function is responsible for managing conflicts of interest.

Measures and procedures for preventing and managing conflicts of interest include the following preventive measures to protect and safeguard the interests of clients:

- ensuring the competence and reliability of related persons;
- all employees of the company receive regular specialised training, particularly on the subject of business compliance;

- related persons are informed of the restrictions and measures set out in this policy.
- related persons are required to immediately report to the compliance function any matters that could give rise to a conflict of interest, such as personal relationships with clients or customers, inside information and unusual business transactions. Insider trading and share price manipulation are strictly prohibited;
- related parties are required to report benefits and reimbursements, as well as the offering and acceptance of gifts;
- employees must also protect business secrets and comply with data protection regulations. The data protection officer is responsible for the proper handling of personal data;
- functional, organisational and spatial separation of individual organisational units of ILIRIKA, in particular the separation of the financial sector from the trading and asset management sector;
- monitoring of organisational units between which or because of which conflicts of interest could arise, and prevention of inappropriate influence between organisational units;
- consistent control of the flow of confidential information and ensuring confidentiality and secrecy in the provision of services related to crypto assets, data collection, information gathering and storage of such information and data;
- preventing and monitoring the simultaneous or sequential engagement of employees in other services or activities, insofar as such conduct is detrimental to the proper management of conflicts of interest;
- monitoring personal transactions for their own account by employees and for the account of persons related to employees, and preventing the execution of personal transactions if these would give rise to conflicts of interest; except for personal transactions carried out on the basis of the provision of crypto asset portfolio management services, if there has been no prior communication between the person on whose behalf the transaction is carried out and the person providing the crypto asset portfolio management service in relation to the execution of that transaction;
- the execution of client orders in accordance with the Client Order Execution Policy;
- preventing personal gain by the persons concerned and their related parties;
- ILIRIKA with an appropriate remuneration system for its staff; through organised and transparent communication with clients and the organisation and physical restriction of client access to ILIRIKA's management and staff, prevents or limits the risk of inappropriate influence by clients or third parties on ILIRIKA's management and staff in the performance of services related to crypto assets;
- with an appropriate employee reward system, organised and transparent communication with clients, and the organisation and physical restriction of client access to management and employees, ILIRIKA prevents or limits the risk of inappropriate influence by clients or third parties on management and employees in the performance of services related to crypto assets;
- ILIRIKA prohibits the acceptance of compensation from its clients or third parties that is not a standard commission or fee for services rendered; all prices of services or commissions for services provided by ILIRIKA are specified in a publicly available price list and/or in a contract for the provision of services related to crypto assets;
- through its internal acts and the provisions of employment contracts, ILIRIKA prevents or restricts its management and employees from engaging in services and activities that could give rise to conflicts of interest; ILIRIKA requires its management and employees to disclose any circumstances that could constitute a conflict of interest; It also keeps records of related persons, employees and others who perform work for ILIRIKA, and includes a non-competition clause and a strict confidentiality statement in employment contracts.

Personal transactions with crypto assets:

- related persons are required to disclose all wallets (i.e. user accounts) and all purchases and sales of crypto assets (hereinafter: crypto transactions) if they are crypto assets that fall within the scope of MiCA in accordance with Article 1 of MiCA;
- records of personal transactions are kept;
- personal transactions involving the use of confidential information or which could result in a conflict of interest for the company in the provision of crypto-asset services are prohibited.

Compliance monitoring:

- All transactions carried out as part of a crypto-asset service are continuously monitored by the compliance function to detect insider trading, market manipulation or other violations of MiCA or internal operating

instructions. Audit procedures may be performed on randomly selected areas. Irregularities are investigated by the compliance function;

- the compliance function regularly prepares a risk analysis. Based on this, an annual review or control measures are carried out in accordance with the risks;
- when a new crypto asset is listed for trading, a due diligence process is carried out, which also involves the compliance function;
- the compliance function regularly monitors the publication of advertisements and other information for clients and ensures that there is no misleading behaviour;
- the company does not prepare research studies or assessments relating to crypto assets and does not issue public recommendations to buy or sell individual crypto assets.

Handling of client orders:

- when executing orders to buy or sell the same crypto assets, ILIRIKA gives priority to its clients' orders over orders for its own account;
- when, due to an order placed by an employee or other relevant person given for their own account, it would not be possible to execute a client's order or it would only be possible to execute it under conditions that are less favourable to the client, the order of the employee or other relevant person may only be executed if so provided by other regulations and under the conditions specified by those regulations;
- an explicit commitment that ILIRIKA employees and relevant persons must act exclusively in the interests of clients, and that client orders always take precedence over orders from relevant persons and/or their related parties;
- orders to buy or sell crypto assets placed by ILIRIKA on its own account or on behalf of its management and employees may only be in the form of a limit order;
- ILIRIKA shall combine orders for the same crypto asset from two clients if both orders are placed with due care, provided that this is permitted by other regulations and under the conditions specified by those regulations;
- When executing orders to buy or sell the same crypto assets for different parties, ILIRIKA accepts and executes their orders in chronological order.

5. Dealing with unavoidable conflicts of interest

6. Article

In cases where the circumstances described in Article 3 of this policy exist and the measures described in Article 5 of this policy are not sufficient for ILIRIKA to reasonably trust that the conflict of interest will not adversely affect the interests of the client for whom it provides services related to crypto assets, ILIRIKA must reasonably and clearly explain the nature and sources of these conflicts of interest to that party before commencing services related to crypto assets for it. ILIRIKA's explanation must be in writing or on a durable medium, provided that the latter is the usual method of data exchange between ILIRIKA and the client and the client has expressly requested that ILIRIKA provide the disclosure on a durable medium.

Notwithstanding the provision of the previous paragraph of this article, ILIRIKA reserves the right, at its own discretion, to refuse to conclude a contract or accept a client's order in the event of a conflict of interest between the client and ILIRIKA.

6. Conflict of interest at the level of members of the management and supervisory boards

7. Article

When assessing conflicts of interest at the level of management board members, ILIRIKA's management board must take into account all circumstances, in particular personal, business or other circumstances directly related to the management board member or other legal or natural persons who have private interests with that member.

In performing their duties and making decisions, members of the Management Board must avoid circumstances and conduct that constitute or could lead to a conflict of interest as described in these rules.

In their actions and decisions, members of the ILIRIKA management board must give priority to the company, subordinating any other personal interests to it, and must not exploit the company's business opportunities for their own

benefit, for the benefit of their family members or for the benefit of persons who have private interests in common with them.

Members of the supervisory board must, in their actions and decisions, give priority to the interests of the company and subordinate any other personal or individual interests of owners, members of the management body, the public or other persons to those interests.

8. Article

In order to ensure transparent decision-making at management board meetings and at meetings of committees and commissions of which they are members, members of the management board must take the following precautionary measures to avoid conflicts of interest:

1. in order to avoid conflicts of interest that could influence their judgement, they must, on their own initiative or at the request of another member of the management board or supervisory body, declare whether there is a suspicion of a conflict of interest in the matter being voted on and explain it;
2. if there is a suspicion of a conflict of interest, the member of the management board must abstain from voting on the matter being voted on and temporarily leave the room where the meeting is being held for the duration of the vote;
3. the management board must ensure that the explanation and statement of the member of the management board on abstaining from voting due to a conflict of interest referred to in point 2 of this paragraph are included in the minutes of the management board meeting or committee meeting.

In order to perform their duties transparently, members of the management board must immediately inform the chair of the management board of any circumstances that could lead to a conflict of interest in their work (hereinafter: circumstances of conflict of interest). In order to perform their duties transparently, members of the supervisory board must immediately notify the chair of the supervisory board of any circumstances of conflict of interest. In the event of a conflict of interest arising for the Chairman of the Management Board, the Management Board shall notify the Chairman of the Supervisory Board, applying the provisions of this Article *mutatis mutandis*. In the event of a conflict of interest arising for the Chairman of the Supervisory Board, the latter shall notify the Supervisory Board, applying the provisions of this Article *mutatis mutandis*.

In the event of notification of a conflict of interest by a member of the Management Board, the Management Board or the Chairman of the Supervisory Board shall, at its own discretion, take appropriate documented measures to eliminate or control the circumstances of the conflict of interest. In the event of complex circumstances of conflict of interest, the management board may, instead of taking the aforementioned measures, notify the supervisory board, which in this case shall assess the existence of circumstances of conflict of interest as soon as possible and take appropriate measures to eliminate or establish control over these circumstances. These measures include:

1. the application of the precautionary measures referred to in the first paragraph of this article to avoid conflicts of interest when voting at meetings of the management board of the body and at meetings of commissions and committees of which he is a member;
2. immediate cessation of the disputed conduct by the member of the management board and transfer of any benefits obtained from the specific transaction to ILIRIKA;
3. reimbursement of damages to ILIRIKA from the management board member's own funds if ILIRIKA has suffered any damage in this transaction;
4. termination of the member's position on the Management Board if they are unable or unwilling to resolve the conflict of interest for any reason;

If it turns out that a member of the management board did not inform the management board or the supervisory board about the circumstances of the conflict of interest, which they were otherwise aware of, and at the same time did not immediately remedy the consequences of this conduct, or if a member of the management board has failed to comply with the precautionary measures referred to in the first paragraph of this article, the supervisory board must be notified thereof. In this case, the supervisory body must dismiss the member of the management board from his or her position or propose to the general meeting that the member of the supervisory board be dismissed as soon as the conflict of interest is established.

7. Keeping records of activities and services in respect of which a conflict of interest has arisen or could arise

9. Article

ILIRIKA keeps a special record of all services related to crypto assets where a conflict of interest has arisen or could arise in the case of an ongoing service or activity, with a significant risk of causing damage to the interests of one or more parties.

10. Article

The management of ILIRIKA shall appoint a person by written authorisation to exercise separate supervision of the persons concerned (authorised person) whose main functions are related to the execution of transactions on behalf of clients or the provision of services to clients whose interests may conflict or otherwise represent different interests that may conflict, including the interests of ILIRIKA.

8. Final provisions

11. Article

ILIRIKA shall assess and review the Conflict of Interest Policy established by this act on a regular basis, once a year, and take appropriate measures to remedy any shortcomings.

Article 14.

ILIRIKA shall maintain and regularly update a record of all services related to crypto assets that it performs or that are performed on its behalf, where a conflict of interest has arisen or, in the case of an ongoing service or activity, may arise, which presents a risk of harming the interests of one or more clients.

Once a year, ILIRIKA's management receives a written report on the cases referred to in the previous paragraph of this article, prepared by the compliance officer.

Article 15.

This Conflict of Interest Management Policy shall enter into force on 1 October 2025.

In Ljubljana, on 1 October 2025

ILIRIKA borzno posredniška hiša, d.d., Ljubljana

Igor Štemberger, Chairman of the Management Board

Matjaž Lorenčič, Member of the Management Board