
SANDBERG
CAPITAL

<i>Guideline name</i>	Measures in the Event of a Conflict of Interests
<i>Guideline no.</i>	VS09
<i>Valid for</i>	All employees
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1. Introductory Provisions

- 1.1 The present Internal Guideline sets out the measures to prevent any conflict of interests and procedures for the identification of the conflict of interests in the provision of services of the management company **Sandberg Capital, správk. spol., a. s.** (hereinafter: the “Company”).
- 1.2 A relevant party with respect to the Company (hereinafter: the “Relevant Party”) shall be:
- a) A member of the Board of Directors, shareholder, Head;
 - b) Employee taking part in the management of fund assets;
 - c) A natural person other than the one in par. a) and b) taking part in the management of fund assets based on Company instructions;
 - d) A natural person involved directly in the provision of services for the Company within a contract for delegation of activities related to the fund asset management

2. Measures to Prevent and Identify the Occurrence of a Conflict of Interests

- 2.1 The Company shall identify the occurrence of the conflict of interests between:
- a) The Company and managed funds;
 - b) Managed funds and investors, managed funds mutually, between the investors of these funds mutually;
 - c) The Company or managed funds and other clients of the Company or clients of the Company mutually;
 - d) The Company and Related Parties with respect to the Company;
 - e) A person controlling the Company, a person that is controlled by the Company or a person controlled by the same person as the Company and the Company's senior employees, investors of managed funds, or other clients of the Company.
- 2.2 If the conflict of interest cannot be avoided, in such a situation, the Company shall act fairly and in the best interests of the client, and in particular shall prefer the interests of the client to its own interests.
- 2.3 If, even though the measures taken, it is not possible to reliably prevent the adverse impact of the conflicts of interest on the interests of the fund managed, the manager shall, after obtaining such information, inform the Board of Directors without delay so that necessary measures can be taken which will ensure that the Company acts in the best interests of the funds managed.

- 2.4 In addition to informing the Board of Directors, the Company shall provide information on the nature or source of the conflict of interest to the shareholders of the managed funds. The Company shall provide information in a manner and scope that takes into account the nature of the investor and enables it to properly take into account the conflict of interest in relation to the activities of the Company.
- 2.5 In identifying the occurrence of a conflict of interest in the provision of services, the Company shall consider whether the relevant person:
- a) May obtain a financial advantage or prevent a financial loss to the detriment of the fund;
 - b) Has a different interest in the result of the service provided to the fund or in the result of the business executed on behalf of the Fund from the interest of that fund;
 - c) Has motivation to prefer the interest of the fund to the interest of another Fund;
 - d) Is engaged in the business in the same field as the fund;
 - e) Receives or will receive from a person other than the fund any fee, remuneration or cash benefit relating to the service of the fund, and such an offer does not constitute a normal remuneration for the service being provided
- 2.6 The Company shall always:
- a) Identify the circumstances which, in relation to specific services and activities provided by the Company or another person on its behalf, may lead to a conflict of interest which presents a material risk of damaging the interests of the fund (a substantial conflict of interest);
 - b) Keep an up-to-date record of the services provided, which resulted or is likely to result in a substantial conflict of interest. This record shall be kept by Company Compliance.

3. Measures in Managing a Substantial Conflict of Interests

- 3.1 The relevant persons in relation to the Company engaged in the performance of the services shall carry out their activities with such a degree of independence that is commensurate with the nature, scope and complexity of the Company's activities and the severity of the risk of harm to the interests of clients.
- 3.2 Procedures for the management of a substantial conflict of interest that ensure the independence according to the previous paragraph, depending on the circumstances of the particular situation, include:
- a) Procedures for handling internal information;

- b) A system of internal controls ensuring independent control of the Related Parties in relation to the Company involved in the performance of services to the fund whose interests or the interests of persons for whom they carry out activities, may be in a conflict with each other;
- c) Procedures for closing personal transactions with the investment instruments of the Related Parties in relation to the Company.

4. Rules for Managed Funds

- 4.1 If an employee responsible for managing the fund investments executes any of the following transactions, he/she shall be obliged to document such transactions in accordance with the following paragraph:
 - a) between the fund and its investors;
 - b) between the fund and the Company;
 - c) among managed funds mutually;
 - d) between the Company or funds and other clients of the Company or clients mutually;
 - e) between the fund and a member of the Board of Directors, the Supervisory Board and employees
- 4.2 In the event of the transactions according to the preceding paragraph, an employee responsible for investment management is obliged to:
 - a) Prepare a written purpose of the transaction
 - b) Inform the Company Board of Directors of the transaction

5. Rules for Company Employees

- 4.3 The Company has ensured that its employees follow the following bans:
 - a) An employee who is entrusted with trading on behalf of the Company or is entrusted with trading in assets in a managed fund may not be simultaneously authorized to settle the transaction,
 - b) Where an employee entrusted with trading in assets of a managed fund simultaneously closes deals on his own account with investment securities or asset values to be traded on a regulated or similar market for the managed fund, he/she shall follow a separate internal guideline.
 - c) An employee entrusted with the bookkeeping may not be simultaneously entrusted with trading or settlement of transactions
 - d) A natural person carrying out the compliance activity may not be involved in the conduct of Company activities

- e) An employee entrusted with the risk management may not be simultaneously entrusted with the settlement of transactions
- 5.1 For the purposes of complying with the ban, the Company ensured:
- a) The setting of access rights to the IT system for individual employees so that no undesired merger of their activities may occur
 - b) The split of activities and control authorizations of the employees responsible for trading and settlement of transactions, their managers and members of the statutory body of the Company
- 5.2 If an employee believes that in the management of fund assets any conflict of interests may occur, the employee is obliged to inform the Company compliance of the same in writing.
- 5.3 If an employee learns that during the management of fund assets, any conflict of interests occurred, he/she shall inform the Company compliance of the same in writing immediately.
- 5.4 The Company compliance shall document the facts of the conflict of interests of which they were informed.

6. Measures to Prevent the Use of Assets in Managed Funds for Transactions on One's Own Account

- 5.5 The Company shall prevent the use of assets in funds on its own account in particular by:
- a) Complying with the obligations related to accounting rules and methods
 - b) All payments from the fund assets are transferred only from bank accounts at the Depositary intended for such purpose, or with express consent of the Depositary in other cases
 - c) Specifying the transfers of financial resources which are admissible between Company and managed funds
 - d) Orders for the transfer of resources are demonstrable and duly documented
 - e) Investment instruments or other asset values of the fund are in compliance with the contract of custody made or other security of the Depositary or another person who was entrusted by the Depositary with such activity, or are recorded to the benefit of the relevant fund.

7. Admissible Transfers of Financial Resources

- 7.1 Admissible transfers of financial resources between the Company and managed funds:

- a) Fund management fee
- b) Short-term borrowing of financial resources of the Company to the fund to overcome immediate insolvency of the fund
- c) Re-invoicing of costs that were spent by the Company for the fund on operational grounds

8.1 All movements of financial resources in the accounts of each of the managed funds shall only be through the Depositary - through electronic banking. Due to the strengthening of the control mechanism, dual authorization is required when using electronic banking.

8. Admissible Transactions with Assets

8.2 Admissible transactions with assets in managed funds:

- a) The purchase and sale of investment instruments in the fund assets in accordance with the law and the fund rules, and within permitted limits (e.g., bank deposits, debt securities, shares, money market instruments), and all other transactions permitted by the rules of the relevant fund
- b) Short-term borrowing of financial resources of the Company to the fund to overcome immediate insolvency of the fund

This Guideline becomes valid and effective on 1.12.2014

In Bratislava, on 1.12.2014

Mgr. Martin Fedor

The Managing Director

Sandberg Capital, správ. spol., a. s.