Conflicts of interest policy

Shares Financial Assets

Version	Description	Approver	Date
1	Version initiale	Nicolas NEGRILIC	Jun 30, 2022
2	Annual Review and add crypto-assets services	Audrey Petit	23/06/2026

1. Introduction

This policy sets out SFA arrangements in connection with the identification, management and prevention of conflicts of interest that may arise during the course of the SFA's business for investment services and crypto-assets services. This document will address any conflicts that arise between SFA and a related person :

- SFA and a client,
- SFA and any person directly or indirectly linked to crypto-asset service providers
- SFA and their shareholders by a controlling relationship;
- SFA and members of their management body and Conseil de Surveillance;
- SFA and their employees;
- Between clients.

In the course of business, circumstances may arise whereby the interests of clients with the interests of the SFA, the SFA's staff, or the interests of other related persons. The SFA is committed to treating our clients fairly and following the principles of the regulations as indicated above. The SFA has developed and implemented policies and procedures to avoid putting the SFA in a position whereby its own interests, or our duty to any persons for whom we are acting, conflicts with our duty to a client or external SFA. However, the SFA recognises that there may be instances whereby conflicts of interest are unavoidable. A conflict may exist even if no unethical or improper act or outcome results from it.

2. Scope

This policy applies to all staff, internal or external, working on behalf of and for the account of SFA.

This policy applies for the investment services and crypto-assets services provided by SFA. It is communicated to all staff upon joining the SFA and is available online at all times.

3. What is a Conflict of Interest?

A conflict of interest, within the meaning of the applicable regulations, arises when the SFA, an entity with which it is associated, and/or a member of its staff is confronted with multiple interests whose competition may impair the independence, objectivity, or impartiality of decisions taken or services provided in the course of the SFA's business, to the detriment of the interests of one or more clients.

In accordance with the provisions of Directive 2014/65/EU (MiFID II), in particular Articles 16 and 23, as well as Articles L.533-10, L.533-12, and L.533-16 of the French Monetary and Financial Code, and Articles 312-10 to 312-13 of the AMF General Regulation and 2025/1142 EU regulation, a conflict of interest may arise from:

- the coexistence of legitimate interests (for example, providing services to multiple clients); or

- the presence of interests that may be detrimental to clients' interests (such as personal gain for an employee or the SFA);

- Any related person who is likely to realize a financial gain, avoid a financial loss or receive any other benefit at the client's expense;

- Any related person who has an interest in the outcome of a crypto-asset service provided to the client or a transaction carried out on the client's behalf that differs from the client's interest in that outcome (ex: personal relationship of an employee with an employee of a partner who has decision-making authority);

- Any related person who is incentivized, financially or otherwise, to prioritize the interests of one or more clients over the interests of another client; (ex: one member of the Conseil de Surveillance who is financially incentivized by Shares to prioritize the deal with one partner);

- Any related person who carries on the same business as the client.

A conflict of interest, within the meaning of the applicable regulations, arises when SFA, a related person is confronted with multiple interests whose competition may impair the independence, objectivity, or impartiality of decisions taken or services provided in the course of the SFA business, to the detriment of the interests of SFA.

According to the MICA regulation and particularly the EU regulation 2025/1142, SFA assess whether any persons, organizations or entities with conflicting interest that may arise from them:

- Are likely to realise a financial again, or avoid a financial loss at the expense of SF;

- Have an interest in the outcome of a crypto-asset service provided or an activity carried out by the crypto-asset service provider that differs from SFA's interest in that same outcome;

- Carry on the same business as SFA or are clients, consultants, advisors, agents, external providers, service providers or other suppliers of SFA and whether they are demonstrable reasons to believe that a conflict of interest with SFA.

For the purposes of this policy, a conflict of interest may be actual, potential, or perceived, the latter referring to any situation that could reasonably be seen as a conflict of interest, even where no actual conflict exists, in line with the preventive approach required under MiFID II, the AMF General Regulation and the MICA regulation for crypto-asset services.

Without limitation, the following situations may constitute or give rise to a conflict of interest under the above-mentioned regulations:

- the SFA holding confidential information about a client that could benefit another client, in breach of confidentiality and the primacy of the client's interest;

- providing services to a client in circumstances that could be detrimental to another client;

- the SFA's or its employees' remuneration arrangements that may incentivise acting against clients' interests, contrary to the requirements for sound and effective conflict of interest management;

- the use, disclosure, or exploitation of client information by a staff member for personal gain or the benefit of a third party;

- the SFA and/or a staff member failing to comply with legal, regulatory, or ethical obligations in order to obtain a personal benefit at the expense of a client;

- A related person has economic interest (shares, qualified participation etc…) in a person, organization or entity whose interest conflict with those of SFA;

- A related person maintains, at the time of the assessment, or has maintained within the preceding three years, a relationship, which may be personal, professional, or political in nature with a person, organization or entity whose interests conflict with those of SFA (ex : personal relationship with a competitor of SFA);

- A related person performs duties or activities, or is entrusted with responsibilities, that conflict with those of SFA or is hierarchically supervised by a person with functions or duties that conflict with those of SFA (ex: external activities of an employee).

- Intra-group relationships between Shares Financial Assets (SFA), Shares SAS, Shares Digital Assets (SDA) and Shares Poland Support Services are liable to give rise to structural conflicts of interest. Three main categories have been identified:

    - **Revenue flows:** the allocation of income generated by crypto-asset activities across SFA, SDA and SAS may create divergences of interest between entities, particularly where allocation decisions disproportionately benefit one entity over another in the absence of a transparent and objective policy governing the distribution of revenue flows and justifying each allocation.

    - **Intra-group pricing**: the terms on which SFA, SDA and SAS charge one another for their respective services may not reflect arm's length conditions, thereby favouring certain entities or decision-makers — shareholders, members of the management bodies, effective managers — to the detriment of end clients or other shareholders.

    - **Allocation of shared human resources:** the use of staff performing functions simultaneously within several group entities creates exposure to situations in which a single individual may be required to arbitrate between diverging interests depending on the entity on whose behalf they are acting at any given time, without this dual reporting arrangement being formally governed.

- The grant of founder share subscription warrants (BSPCE) to members of the Supervisory Board constitutes a structural conflict of interest. These instruments confer upon their holders a direct and personal financial interest in the appreciation of the company's value. Yet that valuation depends precisely on the strategic orientations, investment decisions and operational choices that those same members are responsible for overseeing in their capacity as members of the Board. This gives rise to a situation in which the objective and independent exercise of their supervisory duties may be compromised by their personal interest in seeing the company perform.

SFA has to take into account any situations in which a related person who is member of the management body or staff of SFA or who is a shareholder or partner with a qualifying interest in SFA holds Shares or other ownership or participation rights in SFA or has entered into any form of contractual agreement with SFA (ex: BSPCE or contractual agreement between SFA and the CEO of SFA).

- Transactions giving rise to a position in crypto-asset or an exposure to a crypto-asset, carried out by or on behalf of a connected person, are subject to close monitoring. The framework governing personal account dealings is set out in detail in the policy " Personal Accounts Dealing Policy".

In accordance with the organisational requirements set out in Article 16 of MiFID II and Articles 312-10 et seq. of the AMF General Regulation and regarding MICA regulation, SFA has implemented appropriate organisational and procedural measures to prevent, identify, manage, and, where necessary, disclose conflicts of interest, including:

- prohibiting related person from providing services to a client with whom they have close personal or familial ties where such ties may impair their impartiality or lead to preferential treatment;

- prohibiting related persons from holding or engaging in any external activity or position that could conflict with their professional obligations to SFA and its clients, in line with the principle of primacy of the client's interest;

- Prohibiting related persons from having interest (participations, holding a management position or being a member of a committee etc…), in a competitor that could conflict with their professional obligations to SFA and its clients.

4. Conflict of interests's cartography

SFA has reviewed the risks associated with the SFA's business and has produced a conflict of interest cartography (a copy of which is kept by compliance). The conflicts of interest cartography identifies the areas which may present a higher risk to Clients and to SFA (for investment services and crypto-asset services) and sets out the mitigations the SFA has implemented to address them.

This register is systematically updated each time a new conflict of interest risk is identified, notably following the reporting of problematic situations by staff. The identification and awareness of conflict of interest risks are necessary and allow them to be incorporated into the ongoing monitoring process, enabling the mitigation of such risks.

5. How the SFA Manages Conflicts of Interest

The management of conflicts involves taking all reasonable steps to prevent conflicts from giving rise to a material risk of damage to the interests of clients, through maintaining and operating effective organisational and administrative arrangements. Where conflicts are identified as having arisen we seek to manage and control them as appropriate to the circumstances. In accordance with guidelines the SFA has the following principles:

- Where possible, client's interests will at all times be protected and preferred to the SFA's interests;
- Client's interests where possible will at all times be protected and preferred to third-parties interests;
- Where conflicts between clients arise, the SFA will attempt to treat both clients fairly;
- Conflict of Interest issues are disclosed and minimised;
- The SFA operates a policy of transparency through disclosure;
- Related persons are asked to disclose conflicts, upon employment and along the professional relationship.

These principles are set out 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 investment activities;
- Prevent or control the exchange of information between relevant persons where the exchange of that information may harm the interests of one or more Clients.

6. **<u>Staff Responsibilities</u>**

It is the on-going responsibility of all related persons to identify potential and actual conflicts of interest as they arise in the SFA's business and to notify their manager and/or the Compliance Officer. The Compliance Officer is responsible for implementing appropriate procedures to manage and monitor those conflicts and reports directly to the senior management on a regular basis.

7. **<u>Procedure</u>**

The SFA's procedure for dealing with conflicts of interest may be, but is not limited to, one or more of the following steps:

Disclosure:

Disclosure of conflicts is essential. It helps Clients and SFA to understand the possible/current conflicts of interest and to assess the service they are being offered by the SFA and in light of the conflicts of interest to what extent (if at all) they wish to rely on the services.

- Clearly state that the organisational and administrative arrangements established by the SFA to prevent or manage the conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented;

- The disclosure of the conflicts of interest will be made available to the related person in a durable medium, in clear language and will set out how a related person is able to contact SFA or take other steps available to the related person;

- The disclosure will highlight the conflict and include sufficient detail, taking into account the nature of the related person, to enable that related person to take an informed decision with respect to the service in the context of which the conflict of interest arises.

- The SFA must also disclose the risks it may pose to the Client or SFA as well as the steps that are being taken to address it.

- Before each Conseil de Surveillance, a declaration of lack of conflict of interest is formalized.

- When a new member wants to join the Conseil de Surveillance, a fit and Proper is formalized to the regulator(ACPR) before any acceptance of the new member. An analysis of conflict of interest is realized by the ACPR.

Prevention or management:

The SFA will monitor EU rules relating to conflicts of interest and update its policy where needed.

The SFA will have various internal controls in place to ensure mitigation (prevention and management) of conflicts of interest.

Employees:

Employees will be required to complete a Conflicts of Interest Declaration Form and will be encouraged to disclose further conflicts that arise throughout the course of employment by a declaration campaign.

This declaration form is available on this link : https://docs.google.com/forms/d/1oXdceegUxamhft1M1ewMPuGNl9-16gMEO6UT-BRQ4Ns/edit

The answers of the form are available only to the RCSI and the CEO.

The RCSI is responsible for the identification, prevention, management and communication of the conflicts of interests.

For all questions regarding conflicts of interest, the related person has to address them to the RCSI. Staff are committed to adhering to the principles of client interest primacy and the prevention of conflicts of interest. Each SFA employee is required to act with loyalty and fairness in the best interests of clients, respecting integrity, transparency, and market security. SFA also ensures that all personnel clearly understand their roles and responsibilities in relation to their functions, and that their remuneration is adequate, market-aligned, and does not create incentives to place their own interests above those of others.

Other related persons :

The other related persons will be required to contact the RCSI to declare potential conflicts of interest.

The RCSI will provide a declaration form to fill in.

Third-Party Providers Involved in the Crypto-Asset Services Chain:

In the course of providing crypto-asset services, SFA may engage third-party crypto-asset service providers involved in the service chain, including for custody, operational support, and technology-related functions.

In this respect, SFA draws clients' attention to the fact that certain crypto-asset service providers, including Coinbase, which may be used in connection with certain custody and/or execution services, may be exposed to conflicts of interest inherent to their business model, including in circumstances where:

- Orders may be executed on a platform operated by the service provider against other clients of such provider or where the provider itself acts in a principal capacity in relation to the transaction;
- The beneficial identity of the ultimate purchaser or seller in connection with a transaction may not be known and may correspond to another client of the service provider;
- The service provider may be aware of pending or imminent orders while simultaneously engaging in proprietary trading activities or trading on behalf of affiliated entities, even where such provider represents that it has implemented controls and prohibitions designed to prevent front-running.

SFA maintains appropriate oversight and due diligence procedures designed to assess and mitigate conflicts of interest arising from relationships with third-party providers and to ensure that services are delivered in the best interests of clients and in accordance with applicable regulatory requirements.

To identify, prevent, manage, and, where appropriate, disclose such conflicts of interest, SFA implements the following measures:

- <u>Selection and due diligence of service providers</u>: prior assessment of governance arrangements, applicable regulatory framework, and conflict of interest management mechanisms;

- Contractual framework: inclusion of specific contractual provisions addressing regulatory compliance undertakings and conflict of interest management mechanisms within the relevant agreements;

Escalation:

Conflicts of interest will be escalated to the RCSI whose opinion is required and to the CEO to take a decision. The Human Resources opinion will be required in different cases in which an employee is involved. The opinions and decisions are formalized on a “Fiche de déclaration des conflits d’intérêts”. This document is stored on a Google Drive with restricted access to the Compliance team. *Termination*:

Should the conflict of interest have the potential to seriously impact the SFA or any of the Clients, the service or activity to which the conflict relates may need to be terminated and the Client will be informed accordingly. See “Declining to Act”.

All the potential and true conflicts of interests are identified in the register of conflicts of interest. This register indicates :

- Identification of the related person;
- Date of the declaration by the related person and by with medium;
- Type of conflict of interest;
- Description of the conflicts of interest;
- Opinion of the RCSI and Human Ressources;
- Decision taken by the CEO;
- Dates of the opinion and final decision.

Disclosure to Clients

In accordance with Directive 2014/65/EU (MiFID II), the SFA shall inform any client whenever an identified conflict of interest cannot be fully avoided or managed through the SFA’s internal arrangements. Such Disclosure to Client must be clear, comprehensive, and understandable, specifying the general nature of the conflict, the potential risks to the client, and the measures already implemented to manage it, in order to enable the client to make an informed decision prior to the provision of the relevant service or transaction.

The disclosure of conflicts of interest will be made available to the Client on a durable medium, in clear language, and will indicate how a Client can contact SFA or take other measures available to them.

8. Monitoring

In addition to this Policy, the SFA implements robust second-level controls designed to manage, monitor, and mitigate conflicts of interest in a consistent and effective manner. These controls include, in particular, the regular monitoring of identified risk situations, the review of mitigation measures implemented, and reporting to senior management where appropriate. The objective of these second-level controls is to ensure that clients' interests are consistently protected, that potential or actual conflicts of interest are properly identified and addressed, and that any situation that could compromise the impartiality or objectivity of the services provided is proactively prevented or mitigated. For further information on the controls in place, please refer to the Control Plan.

The third-level periodic control also ensures compliance with the SFA's ethical obligations.

9. Remuneration

The remuneration policy for all the SFA's employees :

a) Does not create conflict of interest or incentives that could lead the individuals to whom they apply to favor their own interests or the SFA's interest to the potential detriment of clients or lead these individuals to favor their own interest to the detriment of SFA's interests.

SFA is subject to IFR and IFD regulations. According to these regulations applicable to crypto-asset services, the objectives set up to each employee have to :

- be in line with the business strategy and objectives of the firm and also take into account long term effects of the investment decisions taken;
- Encourage responsible business conduct and promote risk awareness and prudent risk taking;

- Avoid any conflicts of interests which would encourage them to act against the interest of one of the clients or to favor their own interest to the detriment of SFA;

- Remuneration of senior officers in the risk management and compliance functions and risk takers employees and other employees with a global compensation minimum equal to the lowest compensation of one of the management body, risk takers with professional activities which have a significant impact on the risk profile of SFA according to the article 32 IFD (RCSI, Secrétaire Générale, the CEO, the CTO, CFO, COO and the Head of Sales) , these conditions are set :

- For individual performance, financial and non financial critera are taken into account;
- To ensure the objective independence of the staff responsible for control functions and to mitigate any conflict of interest as much as possible, these staff members are remunerated solely based on the achievement of their own objectives, regardless of the performance of the business areas they oversee;
- The remuneration of senior managers responsible for risk management and compliance functions is directly supervised by the management body;
- No variable compensation;
- Payments related to the early termination of an employment contract correspond to individuals actual performance end don’t reward failure or misconduct;
- Total compensation related to severance pay or the buyout of previous employment contracts is consistent with the long-term interests of the investment firm.

b) Mitigates any conflict of interest that may arise from the granting of variable compensation and underlying key performance indicators or risk alignment mechanisms, including payment in the form of BSPCE to employees or members of the management body as part of their variable or fixed compensation.

At Shares, there is no variable compensation in cash.

The Company grants to each new employee BSPCEs (employee stock options) from the parent company, which are vested over a 48-month period, with an initial tranche of 25% over 12 months before subsequent pro-rata monthly vesting. These options are generally issued at an exercise price corresponding to the company's latest valuation at the time the employee joins the Company (they are "at-the-money").

The Conseil de Surveillance adopts and annually reviews the remuneration policy in order to ensure the alignment with the regulations (IFR, IFD and MICAR).

The second level of control controls at least annually the effectiveness of the remuneration policy.

10. External Mandates and Activities

Due to their role within the SFA and their potential exposure to external activities, members of the Shares SAS Executive Committee and SFA's Conseil de Surveillance and management bodies must seek advice from the Compliance Department before accepting any external role, responsibility, or assignment. This includes volunteer positions and any role where the staff member could be placed in a conflict of interest situation.

They must fill in the declaration form. They could accept the external mandates or activities only after the advice given by the RCSI and the decision taken by the CEO.

This arrangement supports SFA's commitment to ensuring that no staff member places their own interests above those of a client.

11. Employee Training

SFA provides annual training to all personnel to ensure they are aware of their responsibility to avoid potential and actual conflicts of interest.

All staff members are therefore regularly trained on conflict of interest management issues and on this Conflict of Interest Management Procedure.

In addition, the Compliance Department may occasionally send quarterly awareness emails to staff.

12. Procedure Review

This procedure is reviewed at least annually. It is also reviewed whenever a legal or regulatory change requires it. Any amendment to the procedure must be approved by the Compliance Officer and communicated to all staff.