



SIA "LANDE PLATFORM"

## CONFLICTS OF INTEREST MANAGEMENT POLICY

INTERNAL REGULATORY ACT

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## CONFLICTS OF INTEREST MANAGEMENT POLICY

### SIA "LANDE Platform"

Riga, 09.11.2023.

#### 1 GENERAL

- 1.1 This Conflict of Interest Management Policy ("**Policy**") determines the procedure by which SIA "LANDE Platform", unified registration number: 40203386735, legal address: Roberta Hirsā Street 1, Riga, LV-1045, Latvia ("**Platform Operator**") ensures the prevention, identification, management, and disclosure of conflicts of interest in connection with the crowdfunding services ("**Services**") it provides publicly available Platform Operator on the website [www.lande.finance.eu](http://www.lande.finance.eu). ("**Platform**") for investors and project owners ("**Clients**"), who have become users of the Platform.
- 1.2 This Policy has been developed and implemented in accordance with:
  - 1.2.1 Regulation (EU) 2020/1503 of the European Parliament and the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 ("**ECSP Regulation**") and
  - 1.2.2 Commission Delegated Regulation (EU) 2022/2111 of 13 July 2022 supplementing Regulation (EU) 2020/1503 of the European Parliament and of the Council with regard to regulatory technical standards specifying conflicts of interest requirements for crowdfunding service providers.
- 1.3 The Policy aims to:
  - 1.3.1 to determine the procedure by which the Platform Operator takes appropriate protective measures to prevent, identify, manage, and disclose Conflicts of Interest in the Platform Operator's activities according to the size and organization of the Platform Operator and the nature, scope and complexity of the Service provided;
  - 1.3.2 disclose to Clients the general nature and sources of Conflicts of Interest;
  - 1.3.3 to inform the Clients about the protective measures applied by the Platform Operator, which have been taken to mitigate Conflicts of Interest.
- 1.4 Conflict of Interest prevention procedures are defined not only in this Policy, but also in other internal documents, and the Platform Operator's Board members (officials) and employees are obliged to comply with provisions determined both in this Policy and in other regulatory documents.
- 1.5 The Policy is binding on the officers and employees of the Platform Operator. Employees of the Platform Operator are informed about this Policy when starting employment legal relations, and this Policy is constantly freely available to all employees of the Platform Operator.

#### 2 CONFLICT OF INTEREST

- 2.1 In the sense of the Policy the "**Conflict of Interest**" is a situation in which the Parties involved have opposing interests during the provision of the Service.
- 2.2 A Conflict of Interest situation may arise between:
  - 2.2.1 various functions and/or structural units of the Platform Operator;
  - 2.2.2 the Platform Operator and its officials and/or employees;
  - 2.2.3 the Platform Operator and holders of its shares;
  - 2.2.4 The Platform Operator and a natural or legal person who has a close relationship in terms of control with the holder of shares, officer, or employee of the Platform Operator ("**Related Person**");
  - 2.2.5 one Client and another Client.

### 3 OBJECTIVES FOR MANAGING CONFLICTS OF INTEREST

- 3.1 In order to prevent the Platform Operator and existing and potential Clients from being adversely affected, the Platform Operator undertakes, in accordance with its size and organization, as well as the nature, scope, and complexity of the Services, to take appropriate protective measures to ensure the management of Conflict of Interest situations at the Platform Operator in accordance with this Policy, Conflict of Interest management procedures and other internal regulatory documents.
- 3.2 The Platform Operator has implemented the appropriate protection measures, to:
  - 3.2.1 would identify, appreciate materiality, document, and prevent Conflict of Interest situations;
  - 3.2.2 disclose to Clients the general nature and sources of Conflicts of Interest and inform them about the measures taken to mitigate the Conflict of Interest;
  - 3.2.3 to ensure the mutual independence of officials, employees, and structural units of the Platform Operators, between which a Conflict of Interest may arise (different subordination, separate flow of information);
  - 3.2.4 ensure the clarity, accuracy, and relevance of the information provided to the Clients;
  - 3.2.5 ensure that Investors who are holders of shares, officers, employees, or Related Persons of the Platform Operator do not receive privileged treatment and privileged access to information about the crowdfunding project in which they invest;
  - 3.2.6 to ensure that the investment conditions of the holders of shares, officers, employees, or Related Persons of the Platform Operator are not more favorable than those offered to Investors who are not related to the Platform Operator;
  - 3.2.7 ensure that officials and employees of the Platform Operator, while performing their professional duties, timely identify possible and actual Conflict of Interest situations where these persons have a Conflict of Interest, and prevent them by refraining from making decisions about the Platform Operator's transactions where these persons have or could have a Conflict of Interest or where Conflict of Interest may arise;
  - 3.2.8 ensure that officials of the Platform Operator act independently and only in the interests of the Platform Operator in making decisions, taking into account this Policy regarding officials;
  - 3.2.9 would not allow the Platform Operator's officials to be employed or hold positions in companies competing with the Platform Operator;
  - 3.2.10 ensure that officials and employees of the Platform Operator comply with provisions of Conflict of Interest management;
  - 3.2.11 ensure that officials and/or employees of the Platform Operator are timely informed about the identified Conflict of Interest situations and measures to prevent them.

### 4 PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

- 4.1 The Conflict of Interest management measures defined in the Policy apply to existing Conflicts of Interest identified by the Platform Operator, as well as in some cases to occasional Conflicts of Interest.
- 4.2 To prevent Conflicts of Interest from occurring:
  - 4.2.1 when providing Services to Clients, the Platform Operator ensures that the terms and conditions specified in this Policy, the Platform Operator's Conflict of Interest management procedure, and other internal regulatory documents, which the officials and employees of the Platform Operator are obliged to comply with, are followed;
  - 4.2.2 the Board of the Platform Operator, determining the organizational structure of the Platform Operator and the duties of officials and employees, ensures that the structural units in which Conflict of Interest situations may arise are functionally separated from each other and are not subject to each other. In addition, when organizing and reorganizing its activities, the Platform Operator assesses, manages, and mitigates actual or potential Conflicts of Interest;
  - 4.2.3 the Platform Operator keeps a register of the personal transactions of the Platform Operator's holders of shares, officials, employees, and Related Persons on the Platform.

- 4.3 If the organizational or administrative measures established by the Platform Operator to manage the Conflict of Interest are not sufficient to ensure with reasonable confidence that damage to the Client's interests will be prevented, then the Platform Operator must clearly disclose to the Client the nature and/or sources of the Conflict of Interest before starting to provide the Service to the Client.

## 5 PERSONAL TRANSACTIONS

- 5.1 The Platform Operator does not participate in any crowdfunding offer expressed on the Platform.
- 5.2 The Platform Operator accepts its holders of shares, officials, employees, and Related Persons as Investors, allowing them to conduct personal transactions in crowdfunding projects offered on the Platform on the same terms and using the same channels as others of the Platform Operator's Clients. Holders of shares, officers, employees, and Related Persons of the Platform Operator who conduct personal transactions on the Platform are Clients of the Platform Operator and they are bound by the same terms and conditions as other Clients of the Platform Operator.
- 5.3 The Platform Operator will provide appropriate information on the Platform about crowdfunding projects in which personal transactions are allowed for its holders of shares, officials, employees, and Related Persons and will ensure that such investments are made under the same conditions as other Investors' investments and that said persons are not treated preferentially and do not have privileged access to information.
- 5.4 The Platform Operator ensures that personal transactions are carried out in accordance with the same terms and conditions as the investments of other investors and that holders of capital shares, officials, employees, and Related Persons of the Platform Operator do not receive privileged treatment and do not have privileged access to information about the specific crowdfunding project.
- 5.5 Personal transactions must not be related to Conflicts of Interest of a professional or ethical nature. Officials and employees of the Platform Operator, who may find themselves in a Conflict of Interest situation while performing their duties, are not allowed to conduct a personal transaction or advise a third party to conduct a transaction that would be classified as a personal transaction on the Platform:
  - 5.5.1 based on/using or inappropriately disclosing information that is classified as the Platform Operator's internal information and/or confidential information, what is available to officials and/or employees, carrying out own office/ work duties;
  - 5.5.2 which is contrary to the requirements specified in the ECSP Regulation and other regulatory acts binding on the Platform Operator.
- 5.6 Holders of shares, officials, employees, and Related Persons of the Platform Operator who conduct personal transactions on the Platform are obliged to inform the Platform Operator that they conduct personal transactions on the Platform.

## 6 IDENTIFYING CONFLICTS OF INTEREST

- 6.1 In order to identify the types of Conflicts of Interest that may adversely affect the interests of the Clients and that may arise during the provision of the Service, the Platform Operator shall, as a minimum, take into account whether the Platform Operator, the holder of its shares, an officer or employee, or a Related Person does not find himself in any of the situations mentioned below, in connection by providing the Services or otherwise:
  - 6.1.1 it benefits financially or can avoid financial losses at the expense of the Client;
  - 6.1.2 it is interested in the outcome of the Service provided to the Client, which is different from the Client's interest in this outcome;
  - 6.1.3 has a financial or other incentive to prioritize the interests of another Client or group of Clients over the interests of a particular Client.
- 6.2 In addition, to identify Conflicts of Interest that may adversely affect the interests of the Clients and that may arise during the provision of the Service, the Platform Operator takes into account whether, the holder of its shares, an officer or employee, or a Related Person (if applicable):
  - 6.2.1 and its individual interests as a result of a specific activity directly conflict with the interests of the

- Platform Operator or the Client;
- 6.2.2 can influence the Platform Operator's decisions in a way that this person can receive personal benefit or advantage;
  - 6.2.3 financial or other benefits due to their position in the Platform Operator;
  - 6.2.4 activity impairs or may impair his independence, judgment, objectivity, or ability to perform his work or other duties.
- 6.3 To identify a Conflict of Interest it should be taken into account, including, but not limited to, the following situations:
- 6.3.1 other economic interests, what separately mentioned in this Policy;
  - 6.3.2 personal or professional relationship with holder of shares, officers, or employees of the Platform Operator (for instance, family relationship);
  - 6.3.3 personal or professional relationships with external involved persons in relation to the Platform Operator (for example, relationship with the Platform Operator's service providers).

## 7 DISCLOSURE OF CONFLICTS OF INTEREST

- 7.1 The Platform Operator maintains effective measures for the identification and prevention of Conflicts of Interest and perceives the disclosure of information about Conflicts of Interest to Clients as a last resort, only when none of the Platform Operator's internal Conflicts of Interest prevention measures are sufficient to ensure the protection of the Client's interests with the reasonable confidence.
- 7.2 If a Conflict of Interest arises and only in those cases when none of the Conflict of Interest prevention measures taken by the Platform Operator have been effective in order to ensure the protection of the Client's interests with reasonable confidence, the Platform Operator shall disclose to the Client information about the content of the Conflict of Interest on a permanent information medium before providing the Services. The Platform Operator will ensure that its Clients have access to timely, accurate, and clear information about the risks that arise as a result of the Conflict of Interest and about the measures taken to mitigate these risks. The Platform Operator will make this information available, taking into account the category of Clients, in particular the classification of investors. The information must be sufficiently detailed so that the Client can make an informed and justified decision regarding the specific Service provided to him.

## 8 CONFLICT OF INTEREST SITUATIONS PREVENTION IN TRANSACTIONS WITH PROJECT OWNERS

- 8.1 The Platform Operator does not accept its shareholders who hold 20% (twenty percent) or more of the share capital or voting rights, officials, employees, and Related Persons as project owners in relation to the Services they provide.
- 8.2 Making decisions on concluding new transactions with Project owners or amending the essential terms of existing transactions is within the competence of the Board of the Platform Operator or a committee established by its decision. The committee may authorize others, other than the committee itself, to make decisions regarding Project owners by assigning such rights based on risk approaches.
- 8.3 If the Project owner is a Related Person of the Platform Operator, which the Platform Operator can accept as the Project owner, in compliance with the provisions of Article 8 (2) of the ECSP Regulation, a person who is involved in making decisions about entering into new transactions with Project owners or amending the essential terms of existing transactions is obliged to ensure that the terms and conditions for transactions with such Project owners are not more favorable than the terms and conditions of similar transactions of the Platform Operator for Project owners unrelated to the Platform Operator, and they do not contradict with the interests of the Platform Operator and Clients.
- 8.4 A person who is involved in making decisions about concluding new transactions with the Project owner or amending the essential terms of existing transactions is obliged to ensure that the content of the transaction terms concluded with the Project owner is not affected depending on the amount of the Project owner's commission fee and that they do not contradict with the interests of the Platform Operator and Clients.

- 8.5 It is the responsibility of the Board of the Platform Operator to ensure that the requirements outlined in Clause 8 are complied with.

## 9 DETERMINING AND MANAGING CONFLICT OF INTEREST IN THE ACTIONS OF OFFICIALS

- 9.1 The official of the Platform Operator has an obligation in his activity:
- 9.1.1 take all necessary actions to prevent and avoid Conflicts of Interest. An official of the Platform Operator must be as independent as possible from all external circumstances that may affect him in his operation;
  - 9.1.2 when making decisions, act independently, take into account the interests of the Platform Operator, and act as a proper and careful owner;
  - 9.1.3 to refrain from making such decisions regarding the transactions of the Platform Operator, where a Conflict of Interest is formed or could be formed.
- 9.2 The employment of an official of the Platform Operator or holding a position in a company competing with the Platform Operator is not allowed.
- 9.3 An official of the Platform Operator, who is in an actual or potential Conflict of Interest, does not have voting rights in decisions that may be related to this Conflict of Interest.

## 10 GIVING AND RECEIVING GIFTS

- 10.1 Unless in such cases it can be clearly proven that there is no Conflict of Interest, officials and employees of the Platform Operator are prohibited from:
- 10.1.1 request/accept gifts from Clients and other persons related to the Platform Operator, if such a gift may affect the official's or employee's decision-making or the proper performance of their duties;
  - 10.1.2 offer/give gifts to Clients and other persons related to the Platform Operator, if such a gift can influence the decision of this person regarding the Platform Operator. In the sense of the Policy: 'gift' is material or immaterial value that is transferred to the recipient without compensation (for example, goods, services, tickets to entertainment/sports events, seminars, accommodation, etc.). The following are not considered gifts: flowers, souvenirs, books, or representative items if the total monetary value of the souvenirs, books, or representative items received from one person does not exceed EUR 100 (one hundred) euros.

## 11 REPORTING OF CONFLICTS OF INTEREST

- 11.1 The officials and employees of the Platform Operator are obliged immediately and no later than the next working day to inform the Legal and Compliance Department of the Platform Operator if they notice the circumstances which in his opinion cause or may cause a Conflict of Interest.
- 11.2 If an official or employee of the Platform Operator becomes aware of circumstances that, in his opinion, could create a Conflict of Interest in connection with his duties or position, he must report it to the Legal and Compliance Department of the Platform Operator immediately and no later than the next working day. All officials and employees of the Platform Operator are obliged to actively engage in the identification, assessment, management, mitigation, and prevention of actual or potential Conflicts of Interest.
- 11.3 The Platform Operator ensures that its employees can report actual, potential, or identified cases of Conflicts of Interest in their own or other employees' activities in accordance with laws, regulations, and standards compliant to the Platform Operator.
- 11.4 The rights of persons involved in the reporting process to personal data protection and confidentiality are ensured in accordance with the requirements of regulatory acts.

## 12 OTHER PROVISIONS

- 12.1 The Legal and Compliance Department is a responsible structural unit on the Conflict of Interest situation management in the Platform Operator.

- 12.2 The Policy has been approved by the Board of the Platform Operator. The Board of the Platform Operator is responsible for monitoring, developing, and updating compliance with this Policy.
- 12.3 Compliance of the Policy with the operation of the Platform Operator and the conditions affecting it is reviewed once a year, and if necessary, the necessary amendments are made.