



TSAF - TSAF OTC

CONFLICTS OF INTEREST POLICY

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1. INTRODUCTION

As providers of investment services, TSAF and TSAF OTC, hereinafter "TRADITION PARIS", represented in particular by their employees, shall act in an honest, loyal and professional manner, with competence, care and due diligence in order to best serve the interest of their customers.

Nevertheless, in the course of its activities, TRADITION PARIS may be confronted with situations of potential, actual or apparent conflicts of interest, in which the power of appreciation or decision of an employee is or is likely to be influenced by a different interest, individual or professional or the power of pressure of a third party, which may override the interest of the client.

In order to prevent any situation, potential, confirmed or apparent of conflicts of interest, TRADITION has put in place a policy and an appropriate organization allowing on the one hand to detect such situations, to manage them, in a concern for the primacy of the customer's interest, and as a last resort to declare them without delay to the customer (s) concerned, with a duty of forbearance if necessary

2. OBJECTIVES AND REGULATORY REFERENCES

This Conflicts of Interest Policy describes the measures implemented by TRADITION PARIS to prevent, detect and manage situations of conflicts of interest whether potential, actual or apparent. It gives guidances to TRADITION's employees when performing their duties if potential conflicts of interest that may arise ; the organizational measures in place to prevent such situations and the rules that apply in situation of a, potential, actual or apparent, conflicts of interest, in due application of the following regulatory references :

- Art. 16 of Directive 2014/65/CE of 15th may 2014
- Art. 33 à 35 of the Delegated Regulation (UE) 2017/565 supplementing Directive 2014/65/CE
- Art.313-18 à 313-23 of the General Regulation of the *Autorité des Marchés Financiers*

3. SCOPE

This Policy applies to TSAF SA and TSAF OTC SA, along with their subsidiaries and branches - all together designated as TRADITION PARIS hereinafter-, for all business lines, and to all the employees of the said designated entities.

4. DEFINITIONS AND CONFLICTS OF INTEREST TYPES

4.1 DEFINITION

A conflict of interest situation shall be defined as a situation, potential, actual or apparent, opposing:

- The interests of TRADITION PARIS (or those of its employees) to those of a client.
- The interest of a client to those of another client.

4.2 CONFLICT OF INTEREST TYPES

A conflict of interest is likely to occur and adversely affect the interests of a client when:

- TRADITION PARIS or its employees is likely to make a financial gain or to avoid a financial loss at the expense of a customer ;
- TRADITION PARIS or its employees has an interest in the result of a service provided to the customer or a transaction carried out on behalf of the client that is different from the client's interest ;
- TRADITION PARIS or its employees is encouraged, for financial or other reasons, to prioritize the interests of another customer or a group of customers in relation to the interests of the customer to whom the service is provided ;
- TRADITION PARIS or its employees carry out the same professional activity as the client;
- TRADITION PARIS or its employees receives or will receive from another person than the customer an inducement in relation to the service provided to the customer, in any form other than the commission or the costs normally charged for this service.

5. PREVENTION OF CONFLICT OF INTEREST SCHEME

As an introduction, it is worth pointing out that the following activities / services are not conducted nor proposed by TRADITION PARIS:

◆ PROPRIETARY TRADING ACTIVITY

TRADITION PARIS does not engage in proprietary trading activity. Trading Room Operators is not permitted to take positions on behalf of the TRADITION PARIS (with the exception of customers' warehousing executions).

◆ EQUITY PARTICIPATION IN THE SHARE CAPITAL OF ISSUERS

Similarly, TRADITION PARIS does not hold any equity interests in issuers share capital whose securities are admitted to trading.

Consequently, the measures implemented by TRADITION PARIS refers to general rules and principles of organization applied to all the activities of TRADITION PARIS, on the one hand (5.1 General Rules) and rules dedicated to certain sensitive activities (5.2 Specific Rules), on the other hand.

5.1 GENERAL RULES AND PRINCIPLES OF ORGANIZATION

SEPARATION OF THE SUPERVISORY FUNCTIONS

The organization of the services and positions of TRADITION PARIS's employees are designed in order to take into account the potential risk of conflicts of interest. Consequently, an employee cannot be placed under the supervision of a manager who would also be in charge of other employees whose activities would potentially lead to conflicts of interest with the former.

ORGANIZATION OF THE PREMISES

In addition to the separation of supervisory functions, the organization of the TRADITION's premises, in particular physical and logical access, aims to prevent potential situations of conflicts of interest and undue circulation of information and to prevent any undue transmission of confidential information, or even privileged (procedures commonly known as the "Chinese Wall")

PERSONAL DEALING TRANSACTIONS

TRADITION PARIS has established a Personal Account Dealing Procedure defining the principles and conditions under which TRADITION PARIS's employees may carry out personal transactions outside of their professional functions, in order to prevent situations of potential or apparent conflicts of interest.

EXTERNAL ACTIVITIES AND MANDATES

The employees of TRADITION PARIS have the obligation to declare to the Compliance Department their intention to exercise an external mandate or an activity outside of their contract of employment. Such a request will be analyzed in light of the potential conflicts of interest that it may generate in order to determine the conditions under which a favorable outcome might be given.

REMUNERATION POLICY

TRADITION PARIS remuneration policy is based both on quantitative criteria, especially regarding Front Office functions, and on objective criteria for complying with internal rules, particularly compliance, including absence from training sessions and non-compliance with compliance rules

INDUCEMENTS, GIFTS AND OTHER ADVANTAGES POLICY

Gifts and other advantages, marks of acknowledgement by nature, must not generate a feeling of gratitude or indebtedness towards the one who offers, therefore creating a situation of conflict of interests, even a situation comparable to corruption. TRADITION PARIS has established an inducement policy, that includes any gifts and other advantages defining the principles and conditions in which these marks of acknowledgement might be authorized.

STAFF TRAINING AND INFORMATION POLICY

TRADITION PARIS maintains a training policy for its staff, which aims on the one hand to ensure regularly that a presentation of the compliance rules governing the activity is made upon the arrival of new employees, and on the other hand, that a training plan is set up annually to allow regular reminders of the rules in force.

5.2 SPECIFIC RULES RELATED TO THE SERVICES PROVIDED TO ISSUERS

TRADITION PARIS teams conduct the following activities:

- ◆ Advice and support to issuers in terms of financing (“origination”)
- ◆ The provision of an investment research service (as defined in article L.544-1 of the French monetary and financial Code)
- ◆ Liquidity agreements,
- ◆ Shares buybacks,
- ◆ Business services on financial communication

The conduct of these activities has its own characteristics requiring the implementation of specific rules related in particular to the information flow.

PHYSICAL BARRIER TO INFORMATION

The sensitive nature of the information, that may be qualified of “inside information”, processed requires specific measures to ensure the non-communication of such information to the other activities.

Therefore, TRADITION PARIS has set up measures and rules in order to identify and manage sensitive information and to identify on the one hand the employees who have knowledge of those information and on the other hand those who need to be informed to carry out their activities.

The employees of TRADITION PARIS who carry out the primary activities are the subject of those specific measures and rules when conducting their activities so as to prevent any situation of conflicts of interest between the various activities of TRADITION PARIS, including the regular customer flow and the exercise of these specific activities

Controls conducted by the Compliance Department ensure the effectiveness of those measures.

5.3 SPECIFIC RULES RELATED TO THE OPERATION OF MARKET INFRASTRUCTURES (OTF AND MTF)

TRADITION PARIS operates trading venues ("MTF TRAD-X", and "OTF TSAF OTC", together “TRADITION Venues”) whose rulebooks have been approved by the AMF College.

5.3.1 EXPRESS CUSTOMER AGREEMENT

The organization set up by TRADITION PARIS aims to guarantee the primacy of the interests of its clients, whether they are clients of an investment service carried out on behalf of third parties (reception-transmission of orders and / or execution on behalf of third parties) or clients who are members/ clients of its trading venues.

5.3.1 CONFLICT OF INTEREST BETWEEN TRADITION VENUES

TRADITION PARIS operates 2 TRADITION Venues: "SMN TRAD-X" and "OTF TSAF OTC".

Conflicts of interest are likely to arise and adversely affect a client's interests when

- 1/ The TRADITION are in direct competition,
- 2 / The TRADITION Venues share human resources.

In this context, TRADITION PARIS has set up a specific system aimed at ensuring:

- That the orders of clients who are not clients of its TRADITION Venues are not executed on the venue operated by TRADITION PARIS, except with the express consent of the latter.
- That the orders of clients who wish to be executed on the TRADING Venues operated by TRADITION PARIS be exclusively executed on the TRADITION Venues, except with the express consent of the latter.

6. CONFLICT OF INTEREST MANAGEMENT MEASURES

CONFLICTS OF INTEREST MAPPING

TRADITION PARIS has established and keeps updated a mapping of the potential conflicts of interest that might occur in the conduct of its activities.

The establishment of this mapping is the tool for managing and preventing conflicts of interest risks. It also allows for relevant controls in order to monitor the effectiveness of the measures and respect of the rules.

RECORD KEEPING

An information procedure to the hierarchy and the Compliance Department allows the identification of any situation of conflict of interest whether potential, proven or apparent. These situations are recorded in a dedicated register along with the management methods used to handle it.

WATCH LIST AND RESTRICTED LIST

Watch List and Restricted List of financial instruments or issuer are established to ensure an adequate information of the employees and complete the conflicts of interest management system.

PRIOR INFORMATION

Should all these measures not be sufficient to ensure the absence of a risk of prejudicing the interests of their client, TRADITION PARIS would be obliged to clearly inform its client of the existence of the conflict of interest, along with the nature of the conflict, before any transaction or service.

This communication shall clearly state that the organizational and administrative measures implemented by TRADITION PARIS to prevent or manage a conflict of interest are not sufficient to guarantee, with reasonable certainty, that the risk of harm to the interests of the client will be avoided. The communication includes a specific description of the conflict of interest that arises in connection with the provision of investment services, considering the nature of the client to whom the communication is made. The description explains the general nature and the sources of the conflict of interest, as well as the risks incurred by the client as a result of the said conflicts of interest and the measures taken to mitigate those risks, in sufficient detail to enable the client to make a decision, being informed about the investment or ancillary service in the context of which the conflict of interest arises

COMPETITION BETWEEN TRADING VENUES

The 2 TRADITION Venues are in no way directly in competition: on one hand, the typology of their clientele is distinct and, on the other hand, the products exchanged are specific to each platform:

	MTF Trad-X	OTF TSAF OTC
Clientèle type	Banks tiers 2 Asset managers Pension funds	Banks Asset Managers Pension funds Commodity traders
Eligible products	IRS	Credit derivatives Inflation derivatives EM Bonds Interest Rate derivatives Interest Rate options FX derivatives Equity derivatives Money market Commodities

7. CONTROL SCHEME

TRADITION PARIS has established, regularly updates and conducts a compliance control plan regarding its investment services to ensure the effectiveness and respect by its employees of the prevention measures against the occurrence of conflict of interest situation.

The relevant procedures are regularly updated according to regulatory changes and changes in activities and are applicable to all categories of customers.