

CONFLICT OF INTERESTS POLICY

**CREDIT GLORIOUS
PROPERTY HOLDINGS LTD.**

COMPLIANCE AND REGULATORY AFFAIRS DEPARTMENT

CONFLICT OF INTERESTS POLICY

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INTRODUCTION

This Conflict of Interests Policy ("Policy") is formally instituted by Credit Glorious Property Holdings Ltd., a company registered in London, with additional operational presence in Paris, Hong Kong, and Sofia. The Policy is crafted to systematically identify, manage, and mitigate conflicts of interest, ensuring compliance with the legal frameworks of the UK, the European Union, and other relevant jurisdictions.

The rationale behind this Policy is to align the company's operations with legal standards and ethical business practices across its global offices. It takes into account the diverse legal environments in which the company operates, ensuring adherence to UK laws such as the UK Bribery Act, EU regulations, and the respective laws of Hong Kong and Bulgaria.

The Policy is a proactive measure, aiming to maintain the company's integrity and stakeholder trust by addressing potential conflicts of interest effectively.

ARTICLE 1 – PURPOSE

The purpose of this Conflict of Interests Policy is to establish a formal framework for all employees, officers, and directors of Credit Glorious Property Holdings Ltd. ("the Company") to conduct business activities. The Policy is designed to ensure compliance with legal standards and to uphold business integrity. It serves as a guideline for identifying and managing situations where personal interests might intersect with professional duties. The Policy aims to prevent any adverse impact on the Company's decision-making processes and business transactions that could arise from conflicts of interest. It is a preventive tool, designed to safeguard the Company against decisions or actions that could potentially compromise its legal standing or reputation. The Policy underscores the importance of transparency and ethical conduct in all business dealings. It is intended to ensure that all personnel are aware of their obligations to avoid conflicts of interest, thereby maintaining the Company's commitment to ethical business practices and fostering trust among clients, investors, and regulatory bodies.

ARTICLE 2 – SCOPE

The Scope of this Conflict of Interests Policy encompasses every individual employed by, or holding an official position within, Credit Glorious Property Holdings Ltd., irrespective of their geographical location or operational role. This includes:

1. **Employees:** Every individual employed by the Company, whether on a full-time, part-time, contractual, or temporary basis.
2. **Officers:** This includes members of the senior management team and other key decision-makers within the Company, who have a significant influence over company policies or strategic directions.
3. **Directors:** Members of the Company's Board of Directors, who are responsible for overseeing the Company's strategic direction and ensuring corporate governance.

The Policy's applicability extends to all Company locations, specifically:

- **London:** The Company's headquarters and employees based in the UK.
- **Paris:** All personnel operating within the Banque D'Affaires' Paris office, including those on temporary assignments or rotational duties.
- **Hong Kong:** Employees and officers based in or operating from the Hong Kong office.

- **Sofia:** The Company's staff and management in Sofia, including any regional or area-specific teams.

ARTICLE 3 – DEFINITIONS

- A. **Annual Declaration:** A requirement for employees, officers, and directors to annually declare any potential conflicts of interest they may have, ensuring ongoing transparency and accountability.
- B. **Arm's Length Transaction:** A transaction in which the parties involved interact as independent, unrelated entities and on equal footing, ensuring that there is no preferential treatment given due to personal relationships or conflicts of interest.
- C. **Audit Trail:** Documentation and records that provide a historical account of decisions and actions taken in relation to a conflict of interest. This is important for transparency and accountability.
- D. **Board Oversight:** The role of the Company's board of directors in overseeing the implementation and enforcement of the Conflict of Interests Policy, ensuring that it is adhered to at the highest levels of the organization.
- E. **Business Relationship:** Any commercial or professional interaction between an individual (or their related party) and the Company, or between the Company and another entity. This includes vendor relationships, partnerships, and client engagements.
- F. **Compliance Officer:** The individual or department responsible for overseeing the implementation of the Conflict of Interests Policy, including the receipt and review of disclosures, providing guidance on issues of conflict, and ensuring overall compliance with the policy.
- G. **Compliance Review:** A formal process conducted by the Company's compliance officer or designated department to assess and evaluate potential conflicts of interest and ensure adherence to the Policy.
- H. **Confidential Information:** Any non-public information pertaining to the Company's business, including trade secrets, business strategies, financial data, and information about clients, which an employee might have access to and which should not be disclosed or used for personal gain.
- I. **Conflict of Interest:** A Conflict of Interest arises when an individual's personal interests – which can include financial, familial, social, or other personal considerations – potentially conflict with, or appear to conflict with, their responsibilities and duties towards the Company. This can manifest in various forms, such as:
 1. Decision-making influenced by personal gain or benefit.
 2. Utilizing company resources for personal use.
 3. Engaging in activities or relationships that might impair professional judgment or objectivity in performing company duties.

The Policy recognizes both actual conflicts of interest and situations that may be perceived as such, emphasizing the importance of not only avoiding actual impropriety but also avoiding any appearance of impropriety.
- J. **Conflict Resolution:** The process of addressing and resolving a conflict of interest, which may involve eliminating the conflict, mitigating its impact, or managing it through oversight and monitoring.
- K. **Direct Conflict:** A situation where an individual's personal interests or activities directly conflict with their responsibilities or the interests of the Company.
- L. **Disclosure:** The act of revealing or reporting a potential or actual conflict of interest. This involves providing

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detailed information about the nature of the conflict, the parties involved, and any relevant circumstances that might affect the employee's duties or the Company's interests.

- M. **Disclosure Statement:** A formal document or report in which an individual discloses any potential or actual conflicts of interest. This statement typically includes detailed information about the nature of the conflict and any relevant financial or personal interests.
- N. **Due Diligence:** The process of investigating and evaluating a potential conflict of interest, including the examination of financial records, personal connections, or other relevant factors to determine the existence and extent of any conflict.
- O. **Ethical Decision-Making:** The process of making choices that align with the ethical standards and values of the Company, especially in situations where conflicts of interest may be present.
- P. **Ethical Standards:** The set of principles that guide the moral and professional conduct of individuals within the Company. This includes honesty, fairness, respect, and responsibility.
- Q. **Fiduciary Duty:** The legal obligation of an individual to act in the best interest of the Company. This includes a duty of loyalty and a duty of care, requiring individuals to avoid conflicts of interest and to act with integrity and good judgment.
- R. **Financial Interest:** This refers to any direct or indirect financial benefit or potential benefit that an individual or their related party might receive as a result of the individual's position in the Company. This includes investments, equity interests, loans, or any form of financial stake in transactions involving the Company.
- S. **Gifts and Hospitality:** Refers to any items, services, or favors received or offered, which could be perceived as attempts to influence decision-making or gain preferential treatment. This definition should outline what is considered acceptable and unacceptable in terms of gifts and hospitality, both in terms of value and nature.
- T. **Indirect Conflict:** A situation where an individual's personal interests or activities do not directly conflict with their responsibilities, but the relationship or activity could create a perception of a conflict.
- U. **Influence:** The capacity of an individual to affect decisions or actions of others within the Company, either directly or indirectly. This is particularly relevant in assessing whether a person's relationships or external activities might impact their ability to perform their duties impartially.
- V. **Insider Trading:** The illegal practice of trading on the stock exchange to one's own advantage through having access to confidential information. This is particularly relevant for officers and directors who may have access to sensitive financial information.
- W. **Material Interest:** An interest that is substantial enough to potentially influence an individual's judgment or actions in their role within the Company. This typically refers to significant financial interests or influential relationships.
- X. **Mitigation Plan:** A strategy or set of actions designed to reduce the impact or likelihood of a potential conflict of interest. This may include measures such as divestment, changes in job role, or increased oversight and monitoring.
- Y. **Objective Judgment:** The ability to make decisions based on factual and unbiased analysis, free from personal bias, prejudice, or undue influence from personal interests.
- Z. **Personal Interest:** Any interest, activity, or relationship that is separate from the individual's professional

responsibilities but could potentially influence or appear to influence their decision-making or actions within the Company.

- AA. **Recusal:** The process of abstaining from participation in any decision-making or discussion in which the individual has a conflict of interest. Recusal is a critical step in managing conflicts of interest, ensuring that decisions are made objectively and without undue influence.
- BB. **Related Party:** A Related Party refers to any individual or entity that has a close personal or business relationship with an employee, officer, or director of the Company. This includes, but is not limited to:
 - 1. Family Members: Spouses, partners, children, parents, siblings, and in-laws.
 - 1. Personal Friends: Individuals with whom employees, officers, or directors have close personal relationships outside of the professional context.
 - 2. Business Associates: This encompasses individuals or entities with whom the Company's personnel have financial, business, or other professional interactions that could influence their decision-making within the Company. The definition of a Related Party is broad to ensure comprehensive identification and management of potential conflicts of interest. It is crucial for individuals covered by this Policy to disclose relationships with any parties that might influence, or appear to influence, their professional judgment or actions within the Company.
- CC. **Reporting Mechanism:** The specific procedures and channels through which conflicts of interest should be reported within the Company. This includes details on how to file a report, who to contact, and the process for handling reported conflicts.
- DD. **Sanctions:** The penalties or disciplinary actions that may be imposed for violations of the Conflict of Interests Policy. This should outline the range of potential sanctions and the process for determining and enforcing them.
- EE. **Secondary Employment:** Involvement in any employment, business, or professional activity outside of the individual's role in the Company that could potentially conflict with their responsibilities or the interests of the Company. This includes consulting, advisory roles, or board positions in other organizations.
- FF. **Whistleblower Protection:** Definitions related to the protection of employees who report unethical or illegal activities within the organization. This should outline the protections afforded to individuals who, in good faith, report suspected conflicts of interest or other breaches of policy.

ARTICLE 4 – IDENTIFICATION OF CONFLICTS

- 1. **Personal Interests:**
 - **Assessment and Disclosure:** Employees are required to regularly assess and disclose any personal interests that may conflict or appear to conflict with their responsibilities or the interests of the Company. This includes relationships, external activities, or personal investments that could influence their professional judgment.
 - **Continuous Monitoring:** Employees are expected to remain vigilant and

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continuously monitor their personal activities and interests to identify any potential conflicts that may arise over time.

2. Financial Interests:

- **Disclosure of Significant Interests:** Employees must disclose any significant financial interests they or their related parties hold in entities that have a business relationship with the Company. This includes, but is not limited to, investments, equity stakes, or any form of beneficial ownership.
- **Materiality Threshold:** The Policy will define what constitutes a 'significant' financial interest, considering factors such as the percentage of ownership, the value of the investment, and the nature of the business relationship.
- **Management of Conflicts:** Once disclosed, these financial interests will be reviewed by the compliance team or designated authority to determine if a conflict exists and how it should be managed. This may involve divestment, recusal from certain decisions, or other mitigation measures.

3. Outside Activities:

- **Secondary Employment:** Employees must seek prior approval before engaging in any secondary employment or business activities. The approval process will assess whether the proposed activity conflicts with the Company's interests or the employee's duties.
- **Public Service and Volunteering:** Involvement in public service, political activities, or volunteering should be disclosed if it poses a potential conflict with the Company's interests. Employees are expected to ensure that such activities do not interfere with their responsibilities to the Company.
- **Restrictions and Guidelines:** The Company will provide clear guidelines on what constitutes a conflict in terms of outside activities, including examples of permissible and impermissible activities.

4. Regular Declarations:

- **Annual Declarations:** Employees, particularly those in decision-making roles, will be required to complete an annual declaration form, disclosing any personal, financial, or external interests that could potentially conflict with their role in the Company.
- **Updating Declarations:** Employees are responsible for updating their conflict of interest declarations whenever there is a significant change in their personal or financial circumstances.

5. Guidance and Support:

- **Advisory Resources:** The Company will provide resources, including training and

access to advisory personnel, to assist employees in identifying and disclosing conflicts of interest.

- **Confidentiality in Disclosures:** All disclosures will be treated with confidentiality and will be used solely for the purpose of managing conflicts of interest.

6.

7. Compliance Monitoring:

- **Regular Audits:** The Company will conduct regular audits and reviews to ensure compliance with the Policy and to identify any undisclosed conflicts.
- **Sanctions for Non-Compliance:** Failure to disclose conflicts, or engaging in activities that constitute a conflict of interest without proper authorization, may result in disciplinary action, up to and including termination of employment.

ARTICLE 5 – DISCLOSURE OF CONFLICTS

1. Mandatory Reporting:

- **Immediate Action Required:** Upon identifying any actual or potential conflict of interest, employees are required to promptly report this to their immediate supervisor or the designated compliance officer. This includes conflicts arising from personal, financial, or external activities.
- **Guidance on Reporting:** The Company will provide clear instructions and channels for reporting conflicts, ensuring that employees understand the process and feel comfortable coming forward with such information.

2. Documentation:

- **Record-Keeping:** All disclosures of conflicts of interest must be documented using a standardized form provided by the Company. This form will capture essential details about the nature of the conflict, the parties involved, and any other relevant information.
- **Confidentiality and Security:** The compliance department will maintain these records in a confidential and secure manner. Access to these records will be limited to authorized personnel only, ensuring privacy and protection of sensitive information.

ARTICLE 6 – MANAGING CONFLICTS

1. Assessment:

- **Thorough Review Process:** Upon receiving a disclosure, the compliance department will conduct a thorough assessment to understand the nature and extent of the conflict. This will involve reviewing the details provided in the disclosure, and if necessary, seeking additional information from the employee or other relevant sources.
- **Criteria for Evaluation:** The assessment will consider factors such as the impact of the conflict on the Company's interests, the severity of the conflict, and whether the conflict can be managed or must be eliminated.

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2. Mitigation Plans:

- **Development of Strategies:** For conflicts that are identified and confirmed, the Company will develop and implement mitigation plans tailored to the specific situation. These plans will aim to eliminate or minimize the impact of the conflict on the Company's operations and decision-making processes.
- **Possible Actions:** Mitigation strategies may include reassignment of duties to avoid decision-making in areas where a conflict exists, divestment of conflicting interests, or other measures such as increased monitoring and oversight.
- **Employee Involvement:** Employees involved in a conflict will be consulted during the development of mitigation plans to ensure fairness and practicality. Their input will be considered in devising a plan that effectively addresses the conflict while respecting their rights and responsibilities.

3. Documentation and Follow-Up:

- **Recording Actions:** All actions taken to manage conflicts will be documented, detailing the nature of the conflict, the mitigation plan implemented, and any follow-up actions required.
- **Ongoing Monitoring:** The compliance department will monitor the effectiveness of mitigation plans and make adjustments as necessary. Regular follow-ups will be conducted to ensure that the conflict remains resolved and does not re-emerge.

ARTICLE 7 – COMPLIANCE WITH LAWS

1. UK and EU Regulations:

- **Adherence to Legal Standards:** The Company is committed to full compliance with all relevant UK and EU laws and regulations pertaining to conflicts of interest. This includes strict adherence to the UK Bribery Act, EU Anti-Corruption laws, and any other relevant legislation.
- **Regular Legal Updates:** The Company will stay informed of any changes or updates in UK and EU laws regarding conflicts of interest and will adjust its policies and practices accordingly to remain compliant.

2. International Compliance:

- **Local Laws in Hong Kong and Sofia:** For its operations in Hong Kong and Sofia, the Company will adhere to the respective local laws governing conflicts of interest. This commitment extends to understanding and integrating these local legal requirements into the Company's operational practices.
- **Alignment with International Best Practices:** In addition to local laws, the Company will also align its policies with international best practices related to conflicts of interest. This approach ensures a consistent and high standard of ethical conduct across all its global operations.

ARTICLE 8 – TRAINING AND AWARENESS

1. Regular Training:

- **Comprehensive Training Programs:** The Company will provide regular, comprehensive training to all employees on identifying, disclosing, and managing conflicts of interest. This training will be tailored to different levels and roles within the organization.
- **Interactive and Engaging Formats:** Training sessions will be conducted in various formats, including workshops, e-learning modules, and seminars, to ensure engagement and effective learning.

2. Awareness Programs:

- **Promoting Policy Understanding:** The Company will conduct awareness programs to ensure that all employees understand the principles and importance of this Policy. These programs will highlight the ethical and legal implications of conflicts of interest.
- **Continuous Communication:** Awareness initiatives will include regular communications, such as newsletters, intranet updates, and briefings, to keep the principles of the Policy at the forefront of employees' minds.
- **Encouraging a Culture of Transparency:** These programs will also focus on fostering a culture of transparency and integrity within the Company, encouraging employees to proactively address and report potential conflicts of interest.

ARTICLE 9 – MONITORING AND ENFORCEMENT

Regular Audits:

1. Scheduled Compliance Checks:

- The compliance department will systematically schedule and conduct regular audits to ensure adherence to the Policy across all levels of the organization. These audits will involve a thorough review of documented disclosures, financial records, employee conduct, and other relevant data to identify any discrepancies or violations.
- The audit process will also assess the effectiveness of current conflict of interest management strategies and suggest improvements where necessary.

2. Random Audits for Transparency:

- To reinforce a culture of integrity, the Company will also conduct unscheduled, random audits. These surprise checks are crucial for maintaining a high level of transparency and for detecting any undisclosed conflicts of interest that might have been overlooked during regular audits.
- Random audits also serve as a deterrent against non-compliance, reinforcing the importance of continuous adherence to the Policy.

Disciplinary Actions:

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1. Clear Consequences for Violations:

- Violations of this Policy, including but not limited to, failure to disclose conflicts, engaging in prohibited activities, or non-compliance with mitigation strategies, will result in disciplinary action. The nature of these actions will be proportionate to the severity and impact of the violation.
- The Company will ensure that all employees are aware of the potential consequences of violating the Policy, thereby promoting a culture of compliance and ethical behavior.

2. Range of Disciplinary Measures:

- Disciplinary actions for violations of this Policy may range from formal warnings and mandatory retraining to more severe measures such as suspension or termination of employment, depending on the seriousness of the breach.
- In cases where violations involve legal implications, the Company may also pursue legal action or report the matter to the appropriate authorities.

3. Fair and Consistent Enforcement:

- The Company is committed to enforcing this Policy in a fair and consistent manner. All reported and detected violations will be investigated thoroughly, and disciplinary actions will be decided upon based on the facts and circumstances of each case.
- The enforcement process will involve a review by the compliance department, and in serious cases, the involvement of senior management or the board of directors.

4. Support for Affected Employees:

- In cases where disciplinary action is taken, the Company will provide support and guidance to the affected employees to understand the nature of their violation and the importance of compliance. This approach aims to educate and rehabilitate rather than solely punish.

ARTICLE 10 – REVIEW AND AMENDMENT

1. Periodic Review:

- **Annual Policy Evaluation:** The Policy will be reviewed annually to assess its effectiveness in identifying and managing conflicts of interest. This review will consider changes in business practices, employee feedback, and developments in legal and regulatory standards.

2. Involvement of Key Stakeholders:

The review process will involve key stakeholders, including the compliance department, legal advisors, and senior management, to ensure a comprehensive evaluation of the Policy.

3. Amendments:

- **Responsive Policy Updates:** Amendments to this Policy may be made in response to changes in laws, regulatory requirements, or the operational needs of the Company. The aim is to ensure that the Policy remains relevant, effective, and compliant with all applicable laws and regulations.

- **Communication of Changes:** Any amendments to the Policy will be communicated promptly and clearly to all employees. This communication will include the reasons for the changes, the implications for employees, and any actions required on their part.

CONCLUSIONS

Credit Glorious Property Holdings Ltd. firmly upholds the principles of ethical conduct and integrity as fundamental to our business operations. This Conflict of Interests Policy, integral to our corporate governance framework, reflects our unwavering commitment to these principles. It serves not only as a guide for our employees, officers, and directors but also as a statement of our values to our clients, partners, and stakeholders.

1. Commitment to Ethical Standards:

- Our dedication to ethical business practices is not just a compliance requirement; it is a core part of our corporate identity. We recognize that maintaining high ethical standards is essential to building trust and credibility with our clients, partners, and the wider community.

2. Global Application and Local Sensitivity:

- While this Policy is globally applicable across all our offices in London, Paris, Hong Kong, and Sofia, we are also mindful of local cultural and legal nuances. Our approach is to harmonize our global standards with local practices, ensuring that we respect and comply with regional laws and customs.

3. Empowering Our Employees:

- We believe in empowering our employees with the knowledge and tools to identify and manage conflicts of interest. Through ongoing training and open communication channels, we foster an environment where ethical decisions are valued and supported.

4. Transparent and Accountable Practices:

- Transparency and accountability are key pillars of our Policy. We are committed to conducting regular audits and reviews to ensure compliance and to make necessary adjustments in response to evolving legal standards and business practices.

5. Continuous Improvement:

- Our commitment to ethical conduct is not static. We continuously seek to improve and refine our policies and practices. This dynamic approach allows us to adapt to changing business landscapes and maintain our position as a responsible and ethical business leader.

6. Stakeholder Engagement:

- We engage proactively with our stakeholders, including employees, clients, and regulatory bodies, to ensure that our Conflict of Interests Policy aligns with their expectations and needs. This engagement is crucial for maintaining an open and honest business environment.

In conclusion, the Conflict of Interests Policy of Credit Glorious Property Holdings Ltd. is more than a set of guidelines; it is a reflection of our commitment to conducting business with integrity and responsibility. We understand that our success is not

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just measured in financial terms but also by the way we uphold our ethical values in every aspect of our operations.