

**Conflict of Interest
Management
Policy**



Conflict of Interest Management Policy

Guiding principles

A conflict may occur when competing personal and professional interests are present. Power Parity, S.A. ("Goparity") is committed to doing everything in its power to identify, monitor, and manage current and potential conflicts of interest that may arise with and between clients.

This document sets forth the procedures for identifying, monitoring, and managing any current or potential conflicts.

Obligations regarding conflict management

Goparity considers that a conflict of interest exists when a conflict arises between:

- the interests of Goparity or related persons and the duties of Goparity towards a client;
- the divergent interests of two or more Goparity clients, to whom Goparity has in each case obligations.

Goparity is obliged to anticipate, analyse, and manage any conflict of interest that may arise.

For the purposes of related persons, i.e., its partners, members of the board of directors, and employees, Goparity adopts procedures aimed at preventing any of them from performing a personal transaction that represents a violation of any of Goparity's other duties provided by law as a Crowdfunding Platform.

Goparity adopts internal organisational mechanisms to prevent its partners, members of its board of directors, and employees from investing in projects available on its platform. On the other hand, and for the sake of transparency, it should be noted that according to the Portuguese Securities Market Commission (CMVM) and its guidelines published at https://www.cmvm.pt/pt/AreadoInvestidor/Faq/Pages/FAQs-Crowdfunding_industria.aspx, shareholders holding non-qualified shares¹ may invest in the investment proposals available on the crowdfunding platform.

Goparity undertakes to comply with such guidelines, and to that effect discloses and declares that:

- Goparity's non-qualified shareholders can make investments on its platform;
- Goparity's non-qualified shareholders may invest up to 10% of the target amount of the relevant campaign. Depending on the specific circumstances of the campaign, such percentage may vary, and any variation shall be duly disclosed on the page dedicated to the respective campaign;
- Goparity's non-qualified shareholders who intend to invest in the investment campaigns shall invest in any such proposal, except in specific cases, which reasonably justify more targeted investments by such non-qualified shareholders;
- Shall use all reasonable efforts to record any investment made by Goparity's non-qualified shareholders;
- Shall use all reasonable efforts to evaluate and prevent, on a case-by-case basis, any situation that may result in a material conflict of interest with respect to investments to be made by Goparity's non-qualified shareholders.

If a conflict of interest is detected by Goparity, it reserves the right to prohibit the respective investment by its non-qualified shareholder(s), unless effective measures can be implemented to mitigate the risks of conflict of interest.

In addition, Goparity is aware of its obligations under the European Crowdfunding Legislation, namely Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 and undertakes to take all reasonable steps and use all reasonable efforts to comply with those obligations, including those under Article 8, which specifically addresses the issue of conflict of interest.

Criteria for identifying current or potential conflict areas

Goparity will analyse whether Goparity or anyone directly or indirectly related:

- might have a financial gain or avoid a financial loss at the client's expense;

¹ According to the CMVM Regulation No. 1/2016, a qualified shareholder is a shareholder who holds, directly or indirectly, a holding of 10% or more of the share capital or voting rights of the company managing the crowdfunding platform.

- has a financial or other incentive to favour the interest of one client over another;
- operates in the same business area as the customer;

- receives or will receive from someone other than the client, and in relation to a service provided to the client, remuneration in the form of money, goods, or services in addition to the general commission for that service.

Acting as an intermediary for crowdfunding

The following procedures must be followed to manage conflicts inherent to the loan intermediary activity.

Accepting a new commitment

The process for accepting a new business should include a discussion as to the level of current or potential conflicts associated with its acceptance. All new business must be approved by executive management and ratified by management and shall include a discussion of the proposed terms so that management can assess whether or not a conflict might exist.

If the potential for conflict is greater than normal, a member of management should be appointed to monitor the progress of the commitment.

Terms of the commitment letter

The commitment letter should allow for withdrawal by Goparity if it is not satisfied that the borrower understands or intends to act in the interest of the potential lenders.

Before posting a loan

Prior to announcing a new loan on the website, executive management must be provided with a due diligence update, including a review of the proposed terms. Any significant changes to the original terms must be justified and approved by executive management.

Before formalising loan

Prior to formalising a loan, executive management must be provided with a final due diligence update, including a review of the proposed terms. Any significant changes to the original terms must be justified and approved by management.

Measures to avoid conflicts of interest

The potential for conflict of interest between Goparity and clients is reduced, namely by prohibiting investment in projects made available through the platform to members of the board of directors and employees.

Goparity's conflict of interest mitigation mechanisms involve the following measures:

- Active and monitorable restrictions regarding related persons;
- Prohibition of investment positioning by Goparity and related persons;
- Creation of remuneration structures that ensure independence in the provision of services to Clients;
- Regular monitoring and evaluation by the Compliance Officer of the adequacy and effectiveness of the Conflict of Interest Management Policy and of the measures and procedures adopted;
- Communicating and providing transparent and clear information to Clients about possible conflicts of interest that may arise in the scope of the activity.

The potential for conflicts of interest between Goparity and clients is very low, namely by ensuring that partners, members of the management body, and employees do not participate in the offers made on the platform.

Disclosure

If executive management concludes that a potential conflict of interest exists that could create a material risk or harm to a client, the responsible executive manager shall notify the client or potential client in writing within 24 hours of becoming aware of the conflict. For a potential client who is not yet engaged, the disclosure shall be made in sufficient detail to allow the client or potential client to make an informed decision.

Last update: December 31st, 2021