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INDUCEMENT POLICY

I. Policy Purpose and Definitions

Purpose of the Policy

This document comprises the Inducement Policy (hereinafter the Policy) that governs Pure Capital S.A. (hereinafter as “Pure Capital”) in the provision of investment services to its Customers.

The content of this Policy has taking into account the legal and regulatory framework applicable to the Inducements regime, notably the Markets in Financial Instruments Directive 2014/65/UE and implementing regulations (hereinafter referred as “MiFID II”) as well as the Law of 5 April 1993, as amended, the Law of 30 May 2018, on markets in financial instruments and the Grand Ducal Regulation of 30 May 2018 on the protection of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits.

Therefore, the purpose of this Policy is:

- To define the principles established by Pure Capital for the identification of Inducements and its respective nature; and
- To define the general principles to be applied for the treatment and communication to Customers of the Inducements permitted and/or paid.

The present Policy complements the Conflicts of Interest Policy of Pure Capital for the provision of investment services.

Definition of Inducement

An inducement may be understood as any fee, commission or non-monetary benefit paid or received by Pure Capital from Customers or third parties for the provision of investment services, auxiliary services or a combination of both.

Under applicable legal and regulatory framework, fees or commissions are not allowed, whether monetary or not, received or paid in relation to the provision of an investment or auxiliary service, to or from a third party that is not the Customer or the person that acts on behalf of the Customer, unless the payment or benefit complies with requirements set out in the section entitled Permitted Inducements.

Therefore, Pure Capital will understand as an Inducement the fees, commissions or monetary or non-monetary benefits that it contributes to or receives from third-party for the provision of investment and/or auxiliary services for the financial instruments that fall under the scope of application of the MIFID II directive.

It is a general principle of this Policy that Pure Capital will guarantee that, in its business relationships and, in particular, for any services that may be affected by the prohibitions set out in this Policy, no fees or commissions will be charged or paid, and no monetary benefits will be received or given that may prevent it from acting in the best interest of its Customers.

II. Scope

Subjective scope

This Policy applies to and must be complied by Pure Capital, as an entity authorized to provide investment and/or auxiliary services, as well as by all the professionals and employees who work for it and perform activities, directly or indirectly, relating to the provision of investment and/or auxiliary services, including agents and partners. Therefore, all Pure Capital staff and related parties must be familiar with, comply with and apply the present Policy.

Objective scope

For the purpose of this Policy, an Inducement is considered as the payment or collection of fees, commissions and/or non-monetary benefits in relation to the provision of an investment or auxiliary service to or from a third party, other than the Customer or a person acting on behalf of the Customer.

Therefore, and for the provision of an investment service, it will not be considered as an Inducement:

- Payments or fees charged to the Customer or on behalf of the Customer;
- Any payments or benefits that allow or are necessary for the provision of investment activities and services, such as custodial fees, settlement and exchange fees, regulatory charges or legal costs;
- Any payments or benefits that are considered as minor non-monetary benefits, and therefore acceptable, pursuant to the provisions of this Policy.

III. Pure Capital Inducements scheme

Prohibited Inducements

As a general rule, all inducements are prohibited unless the requirements established in the Policy are duly met.

Nonetheless, the acceptance and withholding of any fees, commissions or other monetary and non-monetary benefits by third parties is expressly prohibited, without exception, when providing independent advisory and discretionary portfolio management services.

Permitted Inducements

Pure Capital may not receive and retain inducements unless the payment or benefit:

A. Has been designed to improve the quality of the service to be provided to the Customer;

An inducement shall be considered to be designed to enhance the quality of the relevant service to the Customer if it meets all of the following conditions:

- It is justified by the provision of an additional or high-level service to the relevant client, proportional to the level of inducements received, such as:
 - o The provision of non-independent investment advice on and access to a wide range of suitable financial instruments including an appropriate number of instruments from third party product providers having close links with the investment firm;

- The provision of non-independent investment advice combined with either: an offer to the Customer, at least on an annual basis, to assess the continuing suitability of the financial instruments in which the Customer has invested; or with another ongoing services that is likely to be of value to the Customer, such as advice about the suggested optimal asset allocation of the Customer;
- The provision of access, at a competitive price, to a wide range of financial instruments that are likely to meet the needs of the Customer, including an appropriate number of instruments from third party products providers having no close links with the investment firm, together with either the provision of added-value tools, such as objective information tools helping the relevant Customer to take the decisions or enabling the relevant Customer to monitor, model and adjust the range of financial instruments in which they have invested, or providing periodic reports of the performance and costs and charges associated within the financial instruments.
- It does not directly benefit the receiving company, its shareholders or employees without a tangible benefit to the relevant Customer; and
- It is justified by the provision of an ongoing benefit to the Customer in relation to ongoing inducement;

B. It does not disrupt compliance with Pure Capital's obligation to act honestly, impartially and professionally, in the best interests of its Customers.

C. The existence, nature and number of payments or benefits, and the method by which they are calculated must be clearly explained to the Customer, in a full, precise and understandable manner, before the related investment or auxiliary service is provided.

The inducements perceived by Pure Capital in relation to the provision of investment services are detailed in specific register maintained by the Compliance Officer.

Minor non-monetary benefits

Without prejudice of the section 3.1. provisions, Pure Capital will not accept any non-monetary benefits for the provision of the independent advisory or discretionary portfolio management services that cannot be considered minor non-monetary benefits.

The following benefits will be considered acceptable as minor non-monetary benefits only if they comprise:

- a) Information or documentation relating to a financial instrument or investment service, is generic in nature or personalized to reflect the circumstances of an individual Customer;
- b) Written materials from a third party that is commissioned and paid for an corporate issuer or potential issuer to promote a new issuance by a company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any investment firms wishing to receive it or to the general public;
- c) Participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment advice;

- d) Hospitality of a reasonable *de minimis* value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned under point c); and
- e) Other minor non-monetary benefits deemed to enhance the quality of the service provided to a Customer and, having regard to the total level of benefits provided by one entity or group of entities, are of a scale and nature that are unlikely to impair compliance with an investment firm's duty to act in the best interest of the Customer;

Acceptable minor non-monetary benefits will be reasonable and proportionate and on a scale that makes them highly unlikely to influence Pure Capital's behavior in any way that is detrimental to the interests of the relevant Customer.

The disclosure of minor non-monetary benefits will be made prior to the provision of the relevant investment or ancillary services to Customers.

Inducements in relation to Research

The provision of research by third parties to Pure Capital shall not be considered as an inducement if it is received in return for either of the following:

- a) Direct payments made by Pure Capital out of its own resources;
- b) Payments from a separate research payment account controlled by Pure Capital, provided that such account is funded by a specific research charge to the Customer based on a previous agreement, Pure Capital regularly assess the research budget as well as the quality of the research received using a robust criterion and its ability to contribute to better investment decisions.

IV. Information towards Customers

In relation to any payment or benefit received from or paid to third parties, Pure Capital must disclose the following information to the Customer:

- a) Prior to the provision of the relevant investment or ancillary service, Pure Capital will disclose to the Customer the inducements in the applicable pre-contractual or contractual information. Minor non-monetary benefits may be described in a general way;
- b) If Pure Capital has not been able to ascertain on an ex-ante basis the amount of any payment or benefit to be received or paid, and has instead disclosed to the Customer the method for calculating such amount, Pure Capital must also provide its Customers with information relating to the exact amount of the payment or benefit received or paid on an ex-post basis;
- c) Annually, and as long as Pure Capital is receiving (ongoing) inducements in relation to the investment services provided to the relevant Customers, it will inform its Customers, on an individual basis, about the actual amount of payments or benefits received or paid; minor nonmonetary benefits may be described in a general way. This information may be included either in an individual communication or in an annual communication on fees, costs and benefits that Pure Capital will provide to the Customer on an annual basis.

Where applicable, Pure Capital will also inform Customers about the mechanisms for transferring to them the commissions or monetary and non-monetary benefits received for the provision of the investment or the auxiliary services.

V. Measures for identify, register and justify Inducements

The analysis of each type of inducement must consider its justification, taking into consideration that inducements only be permitted when they have been designed to enhance the quality of the relevant service provided to the Customer.

The conducting officers of Pure Capital will validate and approve the characteristics, terms and conditions and justification for each type of inducement (monetary and non-monetary).

The inducements approved will be recorded in a dedicate inducements register, which is populated and maintained by the Compliance Officer. Such register will contain the following information:

- An internal list of all of the fees, commissions and non-monetary benefits received by Pure Capital from third parties, in relation to the provision of investment or auxiliary services;
- Justification/the reason underneath such fees, commissions and non-monetary benefits paid or received by Pure Capital, or proposed for use, enhance the quality of the relevant service provided to the Customer.
- The measures adopted by Pure Capital in order to act honestly, fairly and professionally in accordance the best interest of its Customers.

VI. Revision

The Head of Legal and Compliance of Pure Capital will review the present policy annually or whenever a material change occurs.

Validated by the Board of Directors of Pure Capital S.A.