

Conflicts of Interest Management Policy

New York General Group, Inc.

Article 1: Purpose

This Conflicts of Interest Management Policy (hereinafter referred to as the "Policy") is established to provide a comprehensive framework for identifying, managing, and preventing conflicts of interest at New York General Group, Inc. (hereinafter referred to as the "Company"). As a trusted entity in the financial services industry, the Company recognizes that maintaining the highest standards of ethical conduct, integrity, and transparency in all transactions, business activities, and decision-making processes is essential.

The Company deeply acknowledges that if conflicts of interest are not properly managed, they may not only potentially harm clients' interests but also significantly damage the Company's reputation and credibility, ultimately adversely affecting the Company's sustainable business operations. Therefore, the Company prioritizes the establishment and maintenance of a robust system to proactively identify and effectively manage potential conflicts of interest.

This Policy complies with applicable U.S. federal securities laws and regulations, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the Sarbanes-Oxley Act. The Policy also adheres to the rules and regulations promulgated by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), relevant stock exchanges (NYSE, NASDAQ), and applicable state securities laws. Additionally, the Policy incorporates industry best practices and standards established by professional organizations such as the Securities Industry and Financial Markets Association (SIFMA) and the Investment Adviser Association (IAA).

Through the implementation of this Policy, the Company is committed to preserving and enhancing corporate value while protecting the legitimate interests of clients, shareholders, employees, business partners, local communities, and other stakeholders, in accordance with the fiduciary duties established under U.S. law and the principles of fair dealing and disclosure mandated by federal securities regulations.

Article 2: Definitions

In this Policy, the following terms shall have the meanings set forth below:

2.1 Conflicts of Interest

"Conflicts of Interest" refers to any of the following situations:

- (1) Where the interests of the Company or its employees conflict with the interests of clients
For example, this includes cases where the Company recommends financial products that are not optimal for clients in order to maximize its own revenue, or where conflicts of interest arise between the Company's proprietary trading and client transactions.
- (2) Where the interests of one client conflict with the interests of another client
For example, this includes cases where the Company provides conflicting investment advice to multiple clients, or where limited investment opportunities are allocated among multiple clients.
- (3) Where the Company's business judgment may be unduly influenced by personal interests or relationships
For example, this includes cases where employees select specific business partners for personal financial gain, or prioritize transactions with companies managed by relatives.
- (4) Where conflicts of interest arise between different departments of the Company

For example, this includes cases where the research department provides investment recommendations for securities of companies involved with the investment banking department, or where conflicts of interest arise between the private equity department and the asset management department.

2.2 Related Parties

"Related Parties" include the following:

(1) Directors, auditors, executive officers, and employees of the Company

This includes all officers and employees of the Company, whether full-time or part-time.

(2) Close relatives of the above

This includes spouses (including those in common-law marriages), parents, children (including adopted children), siblings, and their spouses, as well as relatives living in the same household.

(3) Legal entities or organizations over which the above exercise controlling influence

"Controlling influence" here refers to cases where a person directly or indirectly holds 20% or more of voting rights, or can appoint a majority of officers, or can exercise significant influence over management policy decisions.

(4) Major shareholders of the Company (shareholders holding 10% or more of voting rights) and their close relatives

This includes not only individual shareholders but also corporate shareholders and their officers.

(5) Major business partners of the Company and their officers

"Major business partners" here refers to business partners accounting for 5% or more of the Company's annual transaction amount, or business partners for whom the Company accounts for 5% or more of their annual transaction amount.

2.3 Material Transactions

"Material Transactions" refers to any transaction that:

(1) Involves an amount equivalent to 1% or more of the Company's total assets or net assets

(2) Regardless of the amount, may have a significant impact on the Company's financial condition, operating results, or business operations

For example, this includes entry into new businesses, acquisition or disposal of significant assets, conclusion or termination of important contracts, and provision of significant loans or guarantees.

(3) Transactions with Related Parties conducted under terms significantly different from normal business terms

(4) Any other transaction deemed material by the Board of Directors or the Audit Committee

2.4 Non-public Information

"Non-public Information" refers to information that is not generally available to the public and that could potentially have a significant impact on investment decisions, or confidential information related to the business operations of the Company or its clients. This includes financial information, business plans, merger and acquisition plans, new product development information, client information, etc.

Article 3: Scope of Application

3.1 Organizational Scope

This Policy applies to the Company and all its subsidiaries and affiliates under its control. Specifically, this includes subsidiaries in which the Company holds a majority of voting rights, affiliates over which the Company exercises effective management control, and affiliates with which the Company has an agreement regarding the application of this Policy.

Furthermore, in cases where the Company engages in joint ventures or strategic alliances, the Company shall make its best efforts to ensure that the principles of this Policy are respected in such entities.

3.2 Personal Scope

This Policy applies to the following persons:

- (1) All directors, auditors, executive officers, and employees (including full-time employees, contract employees, temporary staff, and part-time employees) of the Company and its subsidiaries and affiliates subject to this Policy
- (2) External consultants, contractors, agents, and other third parties engaged to perform work for the Company (where compliance with this Policy is stipulated in the contract with such third parties)
- (3) Former employees and employees on leave from the Company (limited to non-public information acquired before retirement or leave)

3.3 Business Scope

This Policy applies to all business activities, transactions, and decision-making processes conducted by the Company. In particular, special attention should be paid to the following business areas where conflicts of interest are more likely to arise:

- (1) Investment banking services
- (2) Private equity fund services

3.4 Geographical Scope

This Policy applies in all countries and regions where the Company and its subsidiaries and affiliates subject to this Policy conduct business. Where the laws and regulations of a country or region differ from this Policy, the more stringent of the two shall apply. However, if any provision of this Policy violates local laws or regulations, such provision shall not apply, and the local laws or regulations shall prevail.

Article 4: Identification of Conflicts of Interest

4.1 Types of Conflicts of Interest

The Company establishes a systematic process to identify potential conflicts of interest, including, but not limited to, the following situations:

4.1.1 Conflicts of Interest Related to Personal Interests

(1) Self-dealing

Where employees engage in transactions, directly or indirectly, with the Company or clients. For example, this includes cases where employees use companies owned by themselves or their close relatives as suppliers for the Company, or invest client assets in securities issued by themselves or Related Parties.

(2) Side businesses or concurrent employment

Where employees engage in side businesses or concurrent employment without the Company's approval, and such activities affect the performance of their duties at the Company or compete with the Company.

(3) External directorships

Where employees serve as directors, auditors, advisors, etc. of other for-profit organizations without the Company's approval.

(4) Investment activities

Where employees make substantial investments in the Company's clients, business partners, competitors, or potential acquisition targets.

(5) Use of inside information

Where employees use non-public information obtained through their duties to benefit themselves or third parties.

4.1.2 Conflicts of Interest Related to Gifts and Entertainment

(1) Excessive gifts and entertainment

Where employees receive or provide gifts or entertainment from or to business partners, clients, or other third parties that exceed what is considered reasonable by social standards.

(2) Conditional gifts and entertainment

Giving or receiving gifts or entertainment intended to influence, or that could reasonably be interpreted as influencing, specific transactions or decisions.

(3) Frequent gifts and entertainment

Where gifts or entertainment are frequently exchanged with the same business partners, clients, or other third parties.

4.1.3 Conflicts of Interest Related to Misuse of Information

(1) Breach of information barriers

Where non-public information is shared across departmental information barriers (Chinese walls).

(2) Misuse of client information

Where information provided by clients is used for other clients without the approval of the original client, or used for the Company's proprietary trading.

(3) Selective disclosure

Where material information is selectively disclosed only to specific clients or third parties.

4.1.4 Conflicts of Interest Related to Related Party Transactions

(1) Preferential treatment of Related Parties

Where transactions with Related Parties are conducted under terms more favorable than normal business terms.

(2) Procurement from Related Parties

Where goods or services are procured from Related Parties without going through a competitive bidding process.

(3) Outsourcing to Related Parties

Where business is outsourced to Related Parties without an appropriate evaluation process.

4.1.5 Conflicts of Interest Related to Competitive Relationships

(1) Relationships with competitors

Where employees have close relationships with the Company's competitors (e.g., where close relatives are officers or employees of competitors).

(2) Involvement in competing businesses

Where employees are directly or indirectly involved in businesses that compete with the Company's business.

(3) Representation of competing clients

Where the Company simultaneously represents multiple clients who are in competition with each other.

4.1.6 Conflicts of Interest Between Business Areas

(1) Investment banking and research services

Where the research department provides investment recommendations for companies involved with the investment banking department.

(2) Proprietary trading and client transactions

Where conflicts of interest arise between the Company's proprietary trading and client transactions (e.g., use of client order information, transaction priority, etc.).

(3) Asset management services and securities trading services

Where transactions for assets managed by the Company are executed through the Company's securities trading department.

(4) Conflicts of interest among multiple clients

Situations where the interests of multiple clients may conflict, such as allocation of limited investment opportunities, transactions between multiple clients (cross-trades), etc.

4.2 Process for Identifying Conflicts of Interest

The Company systematically identifies potential conflicts of interest through the following processes:

4.2.1 Regular Risk Assessment

The Compliance Department conducts a conflicts of interest risk assessment for all business departments and key business processes at least once a year. This assessment considers the following factors:

- (1) Nature and complexity of the business
- (2) Types and characteristics of clients
- (3) Types of products and services provided
- (4) Compensation systems and performance evaluation methods
- (5) Organizational structure and reporting lines
- (6) Previously identified conflicts of interest cases
- (7) Changes in the regulatory environment
- (8) Industry best practices and trends

4.2.2 Review of New Businesses and Products

Prior to the introduction of new businesses or products, the Compliance Department and relevant departments conduct a review to identify potential conflicts of interest. This review considers the following:

- (1) Nature and purpose of the new business or product
- (2) Target clients and markets
- (3) Relationship and interaction with existing businesses
- (4) Potential conflicts of interest and their management methods
- (5) Necessary information barriers and management systems
- (6) Disclosure requirements and need for client consent

4.2.3 Pre-transaction Review

For transactions meeting certain criteria (e.g., material transactions, transactions with Related Parties, transactions involving multiple business departments, etc.), a pre-transaction review from a conflicts of interest perspective is conducted. This review is performed by the Compliance Department or the Conflicts of Interest Management Committee.

4.2.4 Employee Disclosures

All directors, auditors, executive officers, and employees are required to periodically disclose the following to the Compliance Department:

- (1) External business interests (investments, directorships, consulting contracts, etc.)
- (2) Employment status of close relatives (especially employment at the Company's clients, business partners, competitors)
- (3) Receipt and provision of gifts and entertainment (exceeding a certain amount)
- (4) Other potential conflicts of interest

4.2.5 Internal Reporting System

The Company maintains an internal reporting system that allows anonymous reporting of ethical concerns, including conflicts of interest. Reporters are protected from any retaliation for good faith reporting.

4.2.6 Audits and Investigations

The Internal Audit Department periodically evaluates the effectiveness of the conflicts of interest management system and makes recommendations for improvement as necessary. Additionally, the Compliance Department or Internal Audit Department conducts investigations into suspected conflicts of interest cases.

4.3 Criteria for Evaluating Conflicts of Interest

Identified potential conflicts of interest are evaluated based on the following criteria:

4.3.1 Severity of Impact

The severity of the potential impact that the conflict of interest may have on clients, the Company, or other stakeholders. This includes financial losses, reputational risks, legal risks, regulatory risks, etc.

4.3.2 Probability of Occurrence

The likelihood that the conflict of interest will actually materialize. This considers past frequency of occurrence, scale and frequency of related business activities, number of employees involved, etc.

4.3.3 Difficulty of Management

The difficulty of effectively managing the conflict of interest. This considers the complexity of the conflict of interest, the number of departments involved, the types and scope of management measures needed, etc.

4.3.4 Transparency and Disclosability

The degree to which the conflict of interest can be managed with transparency and appropriately disclosed when necessary.

Based on these criteria, each conflict of interest is classified as "high risk," "medium risk," or "low risk," and appropriate management measures are applied accordingly.

Article 5: Disclosure of Conflicts of Interest

5.1 Disclosure Obligation

All directors, auditors, executive officers, and employees have an obligation to promptly disclose actual or potential conflicts of interest. This disclosure obligation applies not only when conflicts of interest are evident but also when there is a possibility of the appearance of a conflict of interest.

5.2 Content of Disclosure

Disclosure of conflicts of interest must include the following information:

(1) Nature and scope of the conflict of interest

Specific circumstances, related transactions or activities, duration of the conflict of interest, etc.

(2) Parties involved

Identification of all parties (individuals and legal entities) involved in the conflict of interest, and explanation of the relationships between these parties.

(3) Details of related financial interests or relationships

Types of financial interests (shareholdings, compensation, fees, etc.), amount or value, and how such interests arise.

(4) Potential impact of the conflict of interest on business

Explanation of how the conflict of interest may affect the Company's business, clients' interests, or decision-making processes.

(5) Proposed management measures

Measures proposed to manage the conflict of interest (recusal, information barriers, monitoring, disclosure, etc.).

5.3 Method and Timing of Disclosure

5.3.1 Method of Disclosure

Disclosure of conflicts of interest must be made in writing or electronically using the prescribed "Conflicts of Interest Disclosure Form." In urgent cases, oral disclosure may be accepted, but it must be followed by written or electronic disclosure as soon as possible.

5.3.2 Timing of Disclosure

Disclosure must be made at the earliest of the following:

(1) When the conflict of interest arises

(2) When a potential conflict of interest is recognized

(3) Before engaging in a transaction or activity that may give rise to a conflict of interest

In any case, disclosure must be made within 5 business days from the time the conflict of interest arises or a potential conflict of interest is recognized.

5.3.3 Periodic Disclosure

All directors, auditors, executive officers, and managerial employees must submit an "Annual Conflicts of Interest Disclosure Form" at least once a year. This form discloses current external business interests, employment status of close relatives, and other information related to potential conflicts of interest.

5.4 Recipients of Disclosure

5.4.1 Disclosure by Employees

General employees must disclose conflicts of interest to the Compliance Department and their immediate supervisor.

5.4.2 Disclosure by Officers

Directors, auditors, and executive officers must disclose conflicts of interest to the Compliance Department and the Board of Directors (or appropriate Board committee).

5.4.3 Responsibilities of the Compliance Department

The Compliance Department shall record all disclosures, request additional information as necessary, and take appropriate response measures. For significant conflicts of interest, the Compliance Department shall report to the Conflicts of Interest Management Committee.

5.5 Disclosure to Clients

5.5.1 Necessity of Disclosure

When a conflict of interest may affect a client's interests, and other management measures alone are not sufficient to appropriately manage the conflict of interest, the Company must disclose the conflict of interest to the client.

5.5.2 Content of Disclosure

Disclosure to clients must meet the following requirements:

- (1) Be made in a clear, fair, and non-misleading manner
- (2) Explain the general nature and sources of the conflict of interest
- (3) Include sufficient details for the client to understand the risks arising from the conflict of interest
- (4) Explain the measures taken to manage the conflict of interest
- (5) Enable the client to make an informed decision

5.5.3 Timing and Method of Disclosure

Disclosure must be made in writing or electronically before commencing the relevant business or transaction. In certain circumstances, standardized disclosure documents may be used, but additional information tailored to the specific situation must be provided as necessary.

5.5.4 Client Consent

For certain types of conflicts of interest, in addition to disclosure, explicit client consent (in writing or electronically) may be required. The Compliance Department shall determine the situations requiring consent and the method of obtaining consent.

Article 6: Management of Conflicts of Interest

6.1 Basic Principles of Management

In managing conflicts of interest, the Company adheres to the following basic principles:

- (1) Priority of client interests

The interests of clients take precedence over the interests of the Company and its employees.

(2) Fair and equitable treatment

All clients must be treated fairly and equitably.

(3) Ensuring transparency

Management of conflicts of interest must be conducted with transparency.

(4) Preventive approach

Conflicts of interest should be prevented in advance whenever possible.

(5) Risk-based approach

Management measures should be applied according to the nature, scale, and risk of the conflict of interest.

(6) Continuous monitoring and improvement

The conflicts of interest management system should be continuously monitored and improved as necessary.

6.2 Organizational Management Measures

6.2.1 Organizational Structure and Reporting Lines

The Company establishes an appropriate organizational structure and reporting lines to minimize conflicts of interest. This includes the following measures:

(1) Independent oversight functions

The Board of Directors, Audit Committee, and Compliance Department independently oversee the Company's governance system, including conflicts of interest management.

(2) Separation of business departments

Business departments that potentially give rise to conflicts of interest (e.g., investment banking department and research department, proprietary trading department and client transaction execution department, etc.) are organizationally separated.

(3) Clear reporting lines

Reporting lines for each employee are clearly defined, and dual reporting lines that may give rise to conflicts of interest are avoided.

(4) Dispersion of authority

Important decision-making authority is appropriately dispersed to avoid excessive concentration in specific individuals or departments.

6.2.2 Committee Structure

The Company establishes the following committees to manage conflicts of interest:

(1) Conflicts of Interest Management Committee

Chaired by the head of the Compliance Department and composed of representatives from key business departments, the Legal Department, and the Risk Management Department. The committee reviews significant conflicts of interest cases, reviews the Conflicts of Interest Management Policy, and oversees the conflicts of interest management system.

(2) New Business and Product Review Committee

Evaluates potential risks, including conflicts of interest, prior to the introduction of new businesses and products, and determines necessary management measures.

(3) Compensation Committee

Oversees the compensation system to ensure it does not encourage conflicts of interest, and recommends corrective measures as necessary.

6.3 Information Management Measures

6.3.1 Information Barriers (Chinese Walls)

The Company establishes the following information barriers to prevent inappropriate flow of non-public information between departments:

(1) Physical barriers

Physical separation between departments with potential conflicts of interest (e.g., separate floors, restricted access areas, etc.).

(2) Electronic barriers

Access restrictions to information systems and databases, monitoring of emails, setting of access permissions in document management systems, etc.

(3) Procedural barriers

Restriction of information sharing based on the "need to know" principle, approval procedures for discussions across information barriers, recording and monitoring of wall crossings (information sharing across information barriers), etc.

6.3.2 Watch List and Restricted List

The Company maintains and appropriately manages the following lists:

(1) Watch List

A list of companies for which the Company may possess non-public material information. Transactions related to companies on the Watch List can be conducted as usual but are subject to monitoring by the Compliance Department.

(2) Restricted List

A list of companies for which the Company possesses non-public material information. Certain transactions (e.g., proprietary trading, investment recommendations, etc.) related to companies on the Restricted List are prohibited or restricted.

6.3.3 Management of Confidential Information

Non-public information and confidential information are managed according to the following principles:

(1) Classification and labeling

Classification and appropriate labeling according to the level of confidentiality of the information.

(2) Access restriction

Access restriction based on the "need to know" principle.

(3) Storage and disposal

Secure storage methods and appropriate disposal procedures.

(4) Transmission and sharing

Security measures when transmitting information, such as encryption and use of secure communication channels.

6.4 Conduct Regulation Measures

6.4.1 Personal Trading Regulations

The following regulations apply to personal trading by directors, auditors, executive officers, and employees of the Company:

(1) Pre-approval

Pre-approval from the Compliance Department is required for certain securities transactions (e.g., securities of the Company's clients, business partners, competitors).

(2) Holding period restrictions

Prohibition of short-term trading (holding for less than 30 days).

(3) Blackout periods

Prohibition of trading during specific periods, such as a certain period before the Company's earnings announcements.

(4) Reporting obligations

Obligation to report all securities accounts and transactions.

(5) Restricted List

Prohibition of trading in securities on the Restricted List.

6.4.2 External Activities Regulations

The following regulations apply to external activities of directors, auditors, executive officers, and employees of the Company:

(1) Pre-approval

Pre-approval from the Compliance Department is required for all external business activities, directorships, consulting contracts, etc.

(2) Time limitations

Time spent on external activities is limited to an extent that does not interfere with the performance of duties at the Company.

(3) Non-competition

Involvement in business activities that compete with the Company is prohibited.

(4) Periodic review

Approved external activities are reviewed at least once a year.

6.4.3 Gifts and Entertainment Regulations

The following regulations apply to the giving and receiving of gifts and entertainment:

(1) Amount limitations

Pre-approval is required for giving or receiving gifts and entertainment exceeding a certain amount (e.g., \$100).

(2) Frequency limitations

Limitations on the frequency of giving or receiving gifts and entertainment with the same business partners, clients, or other third parties.

(3) Prohibitions

Prohibition of giving or receiving cash or cash equivalents (e.g., gift cards), prohibition of giving or receiving gifts and entertainment intended to influence specific decisions, etc.

(4) Recording and reporting

Obligation to record and report all gifts and entertainment.

6.5 Business Process Management Measures

6.5.1 Transaction Execution and Allocation

The following principles apply to the execution of client transactions and allocation of investment opportunities:

(1) Fair execution

Client transactions are executed in accordance with the best execution principle.

(2) Equitable allocation

Investment opportunities are equitably allocated based on predetermined objective criteria.

(3) Cross-transactions between clients

Cross-transactions between clients are conducted under fair conditions for both clients and require appropriate approval and recording.

(4) Proprietary trading

Proprietary trading is conducted only after prioritizing client transactions.

6.5.2 Compensation System

The compensation system is designed to avoid encouraging conflicts of interest, in accordance with the following principles:

(1) Long-term perspective

A compensation system that emphasizes long-term performance and client satisfaction rather than short-term revenue.

(2) Risk adjustment

Risk-adjusted performance evaluation that does not encourage excessive risk-taking.

(3) Multi-faceted evaluation

Evaluation that considers non-financial indicators such as client satisfaction and compliance status, not just financial indicators.

(4) Independent approval

Independent oversight and approval in the compensation determination process.

6.5.3 Outsourcing

The following principles apply to outsourcing to third parties:

(1) Due diligence

Rigorous due diligence when selecting outsourcing partners.

(2) Conflicts of interest assessment

Assessment of potential conflicts of interest in the outsourcing relationship.

(3) Contractual provisions

Establishment of clear contractual provisions regarding conflicts of interest management.

(4) Ongoing monitoring

Ongoing monitoring of the outsourcing partner's performance and conflicts of interest management status.

6.6 Selection and Application of Management Measures

6.6.1 Criteria for Selecting Management Measures

Management measures for conflicts of interest are selected based on the following criteria:

(1) Effectiveness

Ability to effectively prevent, manage, or mitigate the conflict of interest.

(2) Proportionality

Proportionality to the nature, scale, and risk of the conflict of interest.

(3) Feasibility

Feasibility within the Company's business environment and resource constraints.

(4) Client impact

Impact on client interests and client experience.

(5) Regulatory compliance

Compliance with relevant laws and regulatory requirements.

6.6.2 Hierarchy of Management Measures

Management measures for conflicts of interest are applied in the following hierarchy:

(1) Avoidance

When possible, completely avoid situations that give rise to conflicts of interest (e.g., prohibition of certain businesses or transactions, avoidance of certain client relationships, etc.).

(2) Mitigation

When conflicts of interest cannot be completely avoided, take measures to mitigate their impact (e.g., information barriers, separation of duties, strengthening of monitoring systems, etc.).

(3) Management

When mitigation measures alone are insufficient, apply additional management measures (e.g., verification by third parties, additional approval requirements, etc.).

(4) Disclosure

When the above measures alone are not sufficient to appropriately manage the conflict of interest, disclose the conflict of interest to clients and obtain consent as necessary.

6.6.3 Documentation of Management Measures

Selected management measures are documented, including the following information:

- (1) Details of the identified conflict of interest
- (2) Results of the risk assessment
- (3) Selected management measures and their rationale
- (4) Persons responsible for implementation and deadlines
- (5) Monitoring methods and frequency
- (6) Criteria for evaluating effectiveness

6.7 Evaluation of the Effectiveness of Management Measures

6.7.1 Evaluation Methods

The effectiveness of management measures is periodically evaluated using the following methods:

- (1) Self-assessment
Self-assessment by each business department.
- (2) Compliance review
Independent review by the Compliance Department.
- (3) Internal audit
Periodic audit by the Internal Audit Department.
- (4) External evaluation
Evaluation by external experts as necessary.

6.7.2 Evaluation Indicators

The following indicators are used for evaluation:

- (1) Number of occurrences
Number and severity of identified conflicts of interest.
- (2) Compliance rate with management measures
Rate of compliance with established management measures.
- (3) Number of violations
Number and severity of violations of the Conflicts of Interest Management Policy.
- (4) Client complaints
Number and content of client complaints related to conflicts of interest.
- (5) Regulatory findings
Findings from inspections or investigations by regulatory authorities.

6.7.3 Utilization of Evaluation Results

Evaluation results are utilized for the following purposes:

- (1) Improvement of management measures
Identification and improvement of ineffective management measures.
- (2) Review of the Policy
Review and update of the Conflicts of Interest Management Policy.
- (3) Enhancement of training
Enhancement of training programs based on evaluation results.
- (4) Management reporting
Reporting to the Board of Directors and senior management.

Article 7: Related Party Transactions

7.1 Basic Principles of Related Party Transactions

Transactions with Related Parties must be conducted in accordance with the following basic principles:

(1) Fairness

Transactions must be conducted under terms equivalent to those that would be applied in transactions between independent parties (arm's length transactions).

(2) Transparency

Details of transactions must be appropriately documented and disclosed as necessary.

(3) Necessity

Transactions must be based on legitimate business needs.

(4) Appropriate approval

Transactions must be reviewed and approved by persons without conflicts of interest.

7.2 Types of Related Party Transactions

7.2.1 Ordinary Transactions

Transactions that are repeatedly conducted in the ordinary course of business (e.g., purchase or sale of goods or services, lease agreements, etc.).

7.2.2 Extraordinary Transactions

Transactions conducted outside the ordinary course of business or one-time transactions (e.g., acquisition or disposal of assets, mergers and acquisitions, fundraising, etc.).

7.2.3 Employment Relationships

Employment of Related Parties or payment of compensation to Related Parties.

7.2.4 Loans and Guarantees

Provision of loans to Related Parties or guarantees for the obligations of Related Parties.

7.3 Review and Approval of Related Party Transactions

7.3.1 Criteria for Review and Approval

The following criteria are considered in the review and approval of Related Party Transactions:

(1) Business necessity and rationality of the transaction

Whether the transaction is consistent with the Company's business strategy and objectives, whether there is a legitimate business reason for the transaction.

(2) Fairness of transaction terms

Whether the transaction terms are fair compared to market conditions, whether they are equivalent to terms that would be applied in transactions between independent parties.

(3) Impact of the transaction on the Company and shareholders

How the transaction affects the Company's financial condition, operating results, and business operations, whether the interests of minority shareholders are adequately protected.

(4) Availability of alternative transaction partners or structures

Whether there are alternative transaction partners who can conduct the transaction under equivalent or better terms, whether alternative transaction structures with fewer conflicts of interest are possible.

(5) Disclosure requirements and need for shareholder approval

Whether the transaction requires disclosure or shareholder approval under applicable laws, regulations, or stock exchange rules.

7.3.2 Review and Approval Process

Review and approval of Related Party Transactions are conducted according to the following process:

(1) Ordinary Transactions

- a) Ordinary transactions below a certain threshold (e.g., \$100,000 per year) require review by the Compliance Department and approval by the business department head.
- b) Ordinary transactions at or above a certain threshold require review by the Compliance Department, review by the Conflicts of Interest Management Committee, and approval by the Audit Committee composed of independent directors.

(2) Extraordinary Transactions

- a) All extraordinary transactions require review by the Compliance Department, review by the Conflicts of Interest Management Committee, and approval by the Audit Committee composed of independent directors.
- b) Extraordinary transactions involving an amount equal to or exceeding a certain percentage (e.g., 5%) of the Company's total assets or net assets require, in addition to the above, approval by the Board of Directors.
- c) If required by laws or the Articles of Incorporation, approval by the General Meeting of Shareholders is also necessary.

(3) Employment Relationships

- a) Employment of Related Parties or payment of compensation to Related Parties requires review by the Human Resources Department, review by the Compliance Department, and approval by the Compensation Committee.
- b) Compensation for Related Parties who are directors, auditors, or executive officers requires review by the Compensation Committee and approval by the Board of Directors.

(4) Loans and Guarantees

- a) Provision of loans to Related Parties or guarantees for the obligations of Related Parties requires review by the Finance Department, review by the Compliance Department, review by the Conflicts of Interest Management Committee, and approval by the Board of Directors.
- b) Loans or guarantees to directors, auditors, or executive officers, unless prohibited by law, require approval by independent directors only.

7.3.3 Exclusion of Interested Persons

The following principles apply in the review and approval process for Related Party Transactions:

- (1) Directors, auditors, executive officers, or employees with conflicts of interest are excluded from the review and approval process for the transaction.
- (2) Directors or auditors with conflicts of interest must not participate in the deliberation and resolution of the Board of Directors or committees regarding the transaction.
- (3) Directors, auditors, or executive officers with conflicts of interest may provide information regarding the transaction but must not influence the decision-making process.

7.4 Documentation and Disclosure of Related Party Transactions

7.4.1 Documentation Requirements

For Related Party Transactions, detailed documents containing the following information must be created and maintained:

- (1) Details of the transaction (type, amount, period, terms, etc.)
- (2) Identification of the Related Party and relationship with the Company
- (3) Business necessity and rationality of the transaction
- (4) Evaluation of the fairness of transaction terms (comparison with market conditions, independent evaluation, etc.)
- (5) Details of the review and approval process (participants, dates, considerations, decisions, etc.)
- (6) Applicable management measures

7.4.2 Disclosure Requirements

The following disclosure requirements apply to Related Party Transactions:

- (1) Disclosure in financial statements
Disclosure of material Related Party Transactions in financial statements and their notes in accordance with applicable accounting standards (Japanese GAAP, IFRS, US GAAP, etc.).
- (2) Disclosure in securities reports, etc.

Disclosure of material Related Party Transactions in securities reports, quarterly reports, etc. in accordance with the Financial Instruments and Exchange Act and related rules.

(3) Disclosure in corporate governance reports

Disclosure of the management system for Related Party Transactions and material transactions in corporate governance reports in accordance with the rules of the Tokyo Stock Exchange.

(4) Disclosure in reference materials for general meetings of shareholders

Disclosure of certain Related Party Transactions (e.g., competitive transactions by directors, conflict of interest transactions, etc.) in reference materials for general meetings of shareholders in accordance with the Companies Act and related rules.

7.5 Monitoring and Review of Related Party Transactions

7.5.1 Ongoing Monitoring

Approved Related Party Transactions are subject to ongoing monitoring, including the following:

- (1) Compliance with transaction terms
- (2) Monitoring of transaction amounts and frequency
- (3) Impact of changes in market conditions
- (4) Changes in the status of Related Parties (e.g., changes in relationships, changes in financial conditions, etc.)

7.5.2 Periodic Review

Ongoing Related Party Transactions are reviewed at least once a year from the following perspectives:

- (1) Necessity of continuing the transaction
- (2) Fairness of transaction terms
- (3) Availability of alternative transaction partners or structures
- (4) Effectiveness of applicable management measures

7.5.3 Modification or Termination

If deemed necessary based on the results of the review, transaction terms may be modified or the transaction may be terminated. Decisions to modify or terminate require the same level of approval as the initial approval.

Article 8: Education and Training

8.1 Purpose and Target Audience of Training Programs

8.1.1 Purpose

Education and training programs on conflicts of interest are conducted for the following purposes:

- (1) Enhancing awareness and understanding of conflicts of interest
- (2) Acquiring knowledge and skills for identifying, disclosing, and managing conflicts of interest
- (3) Promoting compliance with the Conflicts of Interest Management Policy and procedures
- (4) Encouraging ethical decision-making and behavior

8.1.2 Target Audience

Training programs are provided to the following target audience:

- (1) All directors, auditors, and executive officers
- (2) All employees (including full-time employees, contract employees, temporary staff, and part-time employees)
- (3) External consultants, contractors, agents, and other third parties as necessary

8.2 Content of Training Programs

Training programs include the following content, tailored to the position, responsibilities, and level of conflicts of interest risk of the target audience:

8.2.1 Basic Training

Basic training provided to all target audience includes the following content:

- (1) Concept and types of conflicts of interest
- (2) Common situations where conflicts of interest arise
- (3) Overview of the Conflicts of Interest Management Policy and procedures
- (4) Disclosure requirements and methods for conflicts of interest
- (5) Basic case studies on conflicts of interest

8.2.2 Position-Specific Training

Additional training provided to target audience with specific positions or responsibilities includes the following content:

- (1) Training for directors, auditors, and executive officers
 - a) Conflicts of interest management at the Board level
 - b) Review and approval of Related Party Transactions
 - c) Disclosure requirements and accountability to shareholders
 - d) Legal responsibilities of directors, auditors, and executive officers
- (2) Training for managers
 - a) Identifying and managing conflicts of interest of subordinates
 - b) Responding to consultations from subordinates regarding conflicts of interest
 - c) Fostering a culture of conflicts of interest management within the department
- (3) Training for specific departments
 - a) Investment banking department: Conflicts of interest in underwriting business, M&A advisory business
 - b) Research department: Conflicts of interest in investment recommendations
 - c) Asset management department: Conflicts of interest in investment decisions and asset allocation
 - d) Sales department: Conflicts of interest in sales and solicitation
 - e) Procurement department: Conflicts of interest in vendor selection and contract negotiation

8.2.3 Specialized Training

Specialized training provided to target audience involved in specific specialized areas or high-risk areas includes the following content:

- (1) Information barrier management
 - a) Purpose and importance of information barriers
 - b) Types and operation methods of information barriers
 - c) Wall crossing procedures and recording requirements
 - d) Cases of information barrier violations and responses
- (2) Personal trading management
 - a) Purpose and scope of personal trading regulations
 - b) Pre-approval and reporting requirements
 - c) Prohibited transactions and restricted transactions
 - d) Violation cases and sanctions
- (3) Related Party Transactions
 - a) Identification of Related Parties
 - b) Transaction review and approval process
 - c) Methods for evaluating fairness
 - d) Documentation and disclosure requirements

8.3 Training Methods and Frequency

8.3.1 Training Methods

Training is provided using a combination of the following methods:

- (1) Group training
Face-to-face lectures, workshops, group discussions, role-playing, etc.
- (2) Online training

E-learning modules, webinars, online quizzes, etc.

(3) Self-learning

Manuals, guidelines, case collections, newsletters, etc.

(4) On-the-job training

Guidance, mentoring, coaching through practical work, etc.

8.3.2 Training Frequency

Training is provided at the following frequency:

(1) Initial training

Provided to new directors, auditors, executive officers, and employees within 30 days of appointment or joining.

(2) Regular training

Provided to all target audience at least once a year.

(3) Update training

Provided when there are significant changes to the Conflicts of Interest Management Policy or procedures, or when there are significant changes in the regulatory environment.

(4) Remedial training

Provided when there are violations of the Conflicts of Interest Management Policy or procedures, or when deficiencies in knowledge or skills are identified in specific departments or individuals.

8.4 Evaluation of Training Effectiveness

8.4.1 Evaluation Methods

The effectiveness of training is evaluated using the following methods:

(1) Comprehension tests

Tests or quizzes to measure understanding after training.

(2) Observation of behavioral changes

Observation and recording of behavioral changes after training.

(3) Feedback questionnaires

Collection and analysis of feedback from training participants.

(4) Practical performance evaluation

Evaluation of the application of training content in practice.

(5) Analysis of violation numbers

Analysis of the number and types of violations of the Conflicts of Interest Management Policy or procedures.

8.4.2 Utilization of Evaluation Results

Evaluation results are utilized for the following purposes:

(1) Improvement of training programs

Improvement of content, methods, frequency, etc.

(2) Identification of the need for additional training

Identification of the need for additional training in specific target audiences or areas.

(3) Review of the Conflicts of Interest Management Policy or procedures

Review and improvement of the Policy or procedures based on evaluation results.

(4) Reflection in personnel evaluation

Reflection of training participation and comprehension in personnel evaluation.

8.5 Management of Training Records

8.5.1 Record Content

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The following records related to training are maintained:

- (1) Details of training programs (content, methods, dates, locations, etc.)
- (2) Information on training instructors
- (3) Participant lists and attendance records
- (4) Results of comprehension tests
- (5) Results of feedback questionnaires
- (6) Results of training effectiveness evaluation

8.5.2 Record Retention

Training records are retained for at least 5 years (or longer if required by law). Records are stored electronically or in paper form with appropriate access restrictions.

Article 9: Monitoring and Reporting

9.1 Monitoring System

9.1.1 Monitoring Responsibilities

The following persons and departments are responsible for monitoring the implementation and compliance status of the Conflicts of Interest Management Policy:

(1) First-line monitoring

Managers of each business department are responsible for monitoring the implementation and compliance status of the Conflicts of Interest Management Policy in their departments.

(2) Second-line monitoring

The Compliance Department is responsible for independently monitoring the company-wide implementation and compliance status of the Conflicts of Interest Management Policy.

(3) Third-line monitoring

The Internal Audit Department is responsible for independently evaluating the effectiveness of the conflicts of interest management system.

(4) Board-level monitoring

The Board of Directors (or appropriate Board committee) is responsible for overseeing the overall effectiveness of the conflicts of interest management system.

9.1.2 Monitoring Methods

Monitoring is conducted using a combination of the following methods:

(1) Regular reviews

Regular reviews of conflicts of interest disclosure records, approval records, implementation status of management measures, etc.

(2) Spot checks

Spot checks of specific departments, transactions, or activities.

(3) Transaction monitoring

Ongoing monitoring of specific types of transactions (e.g., Related Party Transactions, high-risk transactions, etc.).

(4) System monitoring

Monitoring of transactions and activities by automated systems (e.g., personal trading monitoring systems, email monitoring systems, etc.).

(5) Analysis of internal reports

Analysis of internal reports related to conflicts of interest.

(6) Analysis of client complaints

Analysis of client complaints related to conflicts of interest.

9.2 Reporting System

9.2.1 Regular Reporting

The Compliance Department submits quarterly reports to the Board of Directors (or appropriate Board committee) including the following content:

- (1) Number and nature of identified conflicts of interest
 - a) Number and types of newly identified conflicts of interest
 - b) Status of ongoing conflicts of interest
 - c) Number of resolved conflicts of interest and methods of resolution
- (2) Effectiveness of implemented management measures
 - a) Implementation status of various management measures
 - b) Results of effectiveness evaluation of management measures
 - c) Identification of management measures requiring improvement
- (3) Policy violations and corrective measures
 - a) Number, types, and severity of policy violations that occurred
 - b) Analysis of causes of violations
 - c) Corrective measures and recurrence prevention measures implemented
- (4) Regulatory trends and industry trends
 - a) Changes or trends in regulations related to conflicts of interest management
 - b) Changes in industry best practices
 - c) Cases or lessons from other companies
- (5) Recommendations for policy improvements
 - a) Proposals for improving policies or procedures
 - b) Proposals for enhancing training programs
 - c) Proposals for improving systems or tools

9.2.2 Ad Hoc Reporting

In the event of a significant conflicts of interest case or policy violation, the Compliance Department shall promptly (usually within 24 hours of discovery) report to the Board of Directors (or appropriate Board committee) and relevant regulatory authorities (if necessary). Ad hoc reports include the following content:

- (1) Overview of the case (date and time of occurrence, persons involved, circumstances, etc.)
- (2) Assessment of impact (impact on clients, the Company, other stakeholders)
- (3) Immediate response measures implemented
- (4) Future response plans
- (5) Proposals for recurrence prevention measures

9.2.3 Management Information Reporting

The Compliance Department reports important management information related to conflicts of interest management to senior management and the Board of Directors in a timely manner. This includes the following information:

- (1) Results of inspections or investigations by regulatory authorities
- (2) Significant client complaints or disputes
- (3) Litigation or legal proceedings
- (4) Significant reputational risks
- (5) Significant incidents or trends in the industry

9.3 Evaluation of the Effectiveness of Monitoring and Reporting Processes

9.3.1 Evaluation Methods

The effectiveness of monitoring and reporting processes is periodically evaluated using the following methods:

- (1) Self-assessment
Self-assessment by the Compliance Department.

(2) Internal audit
Independent evaluation by the Internal Audit Department.

(3) External evaluation
Evaluation by external experts as necessary.

(4) Benchmarking
Comparison with industry best practices.

9.3.2 Evaluation Indicators

The following indicators are used for evaluation:

(1) Detection rate
Percentage of existing conflicts of interest detected by the monitoring process.

(2) Timeliness
Average time from occurrence to detection of conflicts of interest.

(3) Quality of reporting
Accuracy, completeness, clarity, and usefulness of reports.

(4) Reporting timeliness
Average time from case occurrence to reporting.

(5) Follow-up effectiveness
Effectiveness of follow-up and resolution of reported issues.

9.3.3 Utilization of Evaluation Results

Evaluation results are utilized for the following purposes:

(1) Improvement of monitoring methods
Development and implementation of more effective monitoring methods.

(2) Improvement of reporting processes
Enhancement of the quality, timeliness, and usefulness of reporting.

(3) Optimization of resources
Optimization of resource allocation to monitoring and reporting activities.

(4) Utilization of technology
Effective utilization of technology in monitoring and reporting processes.

Article 10: Violations and Sanctions

10.1 Types of Violations

Violations of this Policy include the following types:

10.1.1 Disclosure Violations

(1) Non-disclosure of conflicts of interest
Failure to disclose actual or potential conflicts of interest.

(2) False or incomplete disclosure
Providing false or incomplete information regarding conflicts of interest.

(3) Delayed disclosure
Failure to disclose conflicts of interest within the specified period.

10.1.2 Management Measure Violations

(1) Non-compliance with management measures
Failure to comply with designated management measures.

(2) Information barrier violations
Sharing non-public information across information barriers.

(3) Approval requirement violations
Acting without obtaining necessary approvals.

10.1.3 Conduct Regulation Violations

(1) Personal trading regulation violations
Violations of personal trading regulations (pre-approval, reporting obligations, etc.).

(2) External activities regulation violations
Violations of external activities regulations (pre-approval, non-competition, etc.).

(3) Gifts and entertainment regulation violations
Violations of regulations related to gifts and entertainment.

10.1.4 Related Party Transaction Violations

(1) Unapproved transactions
Conducting transactions with Related Parties without obtaining necessary approvals.

(2) Unfair transactions
Conducting transactions with Related Parties under unfair terms.

(3) Inappropriate disclosure
Inappropriate disclosure regarding Related Party Transactions.

10.2 Evaluation of Violations

Violations of this Policy are evaluated considering the following factors:

10.2.1 Nature and Severity of the Violation

- (1) Type and scope of the violation
- (2) Whether the violation is continuous or repetitive
- (3) Whether the violation is organizational or individual
- (4) Whether the violation involves a breach of laws or regulations

10.2.2 Impact of the Violation

- (1) Impact on clients
 - a) Number of clients affected
 - b) Types and degree of damage suffered by clients
 - c) Long-term impact on client relationships
- (2) Impact on the Company
 - a) Financial impact (losses, fines, compensation, etc.)
 - b) Impact on reputation
 - c) Regulatory impact (inspections, investigations, dispositions, etc.)
- (3) Impact on other stakeholders
 - a) Impact on shareholders
 - b) Impact on employees
 - c) Impact on business partners
 - d) Impact on local communities

10.2.3 Intentionality of the Violation

- (1) Whether the violation was intentional
- (2) Whether the violation was due to negligence or carelessness
- (3) Motivation of the violator (personal gain, organizational pressure, etc.)

- (4) Whether the violator attempted to conceal the violation

10.2.4 Past Behavior and Compliance History of the Violator

- (1) Presence and frequency of past violations
- (2) Response to past violations
- (3) Participation in and understanding of training
- (4) Overall compliance attitude

10.3 Types of Sanctions

Sanctions for violations include the following types:

10.3.1 Educational Sanctions

- (1) Oral or written warning
- (2) Additional training and supervision
- (3) Coaching or mentoring
- (4) Development and implementation of a behavioral improvement plan

10.3.2 Business Sanctions

- (1) Exclusion from specific businesses or transactions
- (2) Limitation or suspension of approval authority
- (3) Enhanced supervision or monitoring
- (4) Change of responsibilities

10.3.3 Economic Sanctions

- (1) Reduction of compensation
- (2) Reduction or forfeiture of bonuses
- (3) Postponement or cancellation of salary increases
- (4) Postponement or cancellation of promotions

10.3.4 Employment Sanctions

- (1) Reprimand or admonition
- (2) Demotion
- (3) Suspension
- (4) Dismissal (ordinary dismissal or disciplinary dismissal)

10.3.5 Legal Sanctions

- (1) Claims for damages
- (2) Contract termination
- (3) Initiation of legal proceedings
- (4) Reporting to regulatory authorities

10.4 Determination of Sanctions

10.4.1 Determination Factors

The type and degree of sanctions are determined considering the following factors:

- (1) Results of violation evaluation (nature, severity, impact, intentionality, past behavior)
- (2) Consistency (consistency with past sanctions for similar violations)
- (3) Proportionality (proportionality of sanctions to the severity of the violation)
- (4) Deterrent effect (effect of deterring future violations)
- (5) Reparability (possibility of repairing damage caused by the violation)

10.4.2 Determination Process

Determination of sanctions follows the following process:

- (1) Investigation
Investigation of facts by the Compliance Department or Internal Audit Department.

(2) Evaluation

Evaluation of the violation based on investigation results.

(3) Recommendation

Recommendation of sanctions by the Compliance Department.

(4) Review

Review of the recommendation by the Conflicts of Interest Management Committee or Human Resources Committee.

(5) Decision

Decision on sanctions by the appropriate level of management or committee depending on the severity of the violation.

a) Minor violations: Department head

b) Moderate violations: Senior management or relevant committee

c) Serious violations: CEO, Board of Directors, or appropriate Board committee

(6) Notification

Notification and explanation of sanctions to the violator.

(7) Implementation

Implementation of the determined sanctions.

(8) Recording

Recording and retention of sanctions.

10.5 Recurrence Prevention

10.5.1 Root Cause Analysis

When a violation occurs, root cause analysis is conducted for recurrence prevention. The analysis considers the following factors:

(1) Human factors (knowledge, skills, motivation, judgment, etc.)

(2) Process factors (procedures, workflows, checkpoints, etc.)

(3) System factors (technology, tools, infrastructure, etc.)

(4) Organizational factors (culture, leadership, incentives, etc.)

(5) External factors (regulatory environment, market conditions, competitive pressure, etc.)

10.5.2 Recurrence Prevention Measures

Based on the root cause analysis, recurrence prevention measures are developed and implemented in the following areas:

(1) Improvement of policies and procedures

(2) Enhancement of training and awareness activities

(3) Improvement of monitoring and reporting processes

(4) Improvement of systems and tools

(5) Strengthening of organizational culture and code of conduct

10.5.3 Follow-up and Evaluation

After implementation of recurrence prevention measures, follow-up is conducted to evaluate their effectiveness. Based on the evaluation results, additional measures are taken as necessary.

Article 11: Review and Update of the Policy

11.1 Regular Review

This Policy is reviewed by the Compliance Department at least once a year. The review considers the following factors:

(1) Effectiveness of the Policy

a) Effectiveness of identification, disclosure, and management of conflicts of interest

- b) Occurrence status and trends of violations
 - c) Status of client complaints and disputes
- (2) Appropriateness of the Policy
 - a) Alignment with business activities and organizational structure
 - b) Alignment with risk profile
 - c) Comparison with industry best practices
 - (3) Compliance status with the Policy
 - a) Compliance status with disclosure requirements
 - b) Implementation status of management measures
 - c) Compliance status with training requirements

11.2 Ad Hoc Review

In addition to regular reviews, ad hoc reviews are conducted in the following cases:

11.2.1 Changes in Laws or Regulations

When there are significant changes in laws or regulations related to conflicts of interest management. This includes:

- (1) Amendments to the Securities Act of 1933 and related rules
- (2) Amendments to the Securities Exchange Act of 1934 and related rules
- (3) Amendments to the Investment Advisers Act of 1940 and related rules
- (4) Amendments to the Investment Company Act of 1940 and related rules
- (5) Changes in the Dodd-Frank Wall Street Reform and Consumer Protection Act and related regulations
- (6) Changes in the Sarbanes-Oxley Act and related regulations
- (7) Changes in the rules and regulations of the Securities and Exchange Commission (SEC)
- (8) Changes in the rules and regulations of the Financial Industry Regulatory Authority (FINRA)
- (9) Changes in the rules and regulations of relevant stock exchanges (NYSE, NASDAQ, etc.)
- (10) Changes in state securities laws and regulations (Blue Sky Laws)
- (11) Relevant court decisions and interpretations affecting securities laws and regulations
- (12) Changes in the Bank Secrecy Act and anti-money laundering regulations
- (13) Changes in the Foreign Corrupt Practices Act and related regulations
- (14) Changes in the rules and regulations of the Commodity Futures Trading Commission (CFTC)
- (15) Changes in the rules and regulations of the Consumer Financial Protection Bureau (CFPB)

11.2.2 Changes in Business Activities or Organizational Structure

When there are significant changes in the Company's business activities or organizational structure. This includes:

- (1) Entry into new businesses
- (2) Withdrawal from existing businesses
- (3) Mergers, acquisitions, or business transfers
- (4) Organizational restructuring or significant personnel changes
- (5) Introduction of new products or services

11.2.3 Results of Risk Assessment

When a review of the Policy is deemed necessary based on the results of conflicts of interest risk assessment.

11.2.4 Occurrence of Significant Conflicts of Interest Cases

When a significant conflicts of interest case occurs and it becomes clear that the current Policy cannot appropriately address it.

11.3 Review and Update Process

11.3.1 Conducting the Review

The review is led by the Compliance Department and conducted in the following steps:

- (1) Information gathering
 - a) Internal information (violation reports, audit results, client complaints, etc.)
 - b) External information (regulatory trends, industry trends, best practices, etc.)

- (2) Analysis
 - a) Gap analysis (differences between the current Policy and requirements or expectations)
 - b) Risk analysis (new or changed risks)
 - c) Effectiveness analysis (effectiveness of the current Policy)
- (3) Consultation
 - a) Consultation with relevant departments
 - b) Consultation with external experts (as necessary)
 - c) Consultation with the Conflicts of Interest Management Committee
- (4) Recommendations
 - a) Recommendations for maintaining, updating, or revising the Policy
 - b) Proposals for specific changes
 - c) Development of implementation plans

11.3.2 Approval of Updates

Updates to the Policy are approved through the following process:

- (1) Preparation of update proposal by the Compliance Department
- (2) Review and approval by the Conflicts of Interest Management Committee
- (3) Final approval by the Board of Directors (or appropriate Board committee)

11.3.3 Implementation of Updates

Approved updates are implemented in the following steps:

- (1) Document updates
Updates to policy documents, procedure manuals, forms, etc.
- (2) System updates
Updates to related systems, tools, databases, etc.
- (3) Notification and training
 - a) Notification of update content to all employees
 - b) Additional training as necessary
- (4) Monitoring
Monitoring of implementation status and effectiveness of the updated Policy.

11.4 Document Management

11.4.1 Version Control

Each version of this Policy is managed in a version control system that includes the following information:

- (1) Version number
- (2) Effective date
- (3) Approver
- (4) Summary of changes
- (5) Reason for changes

11.4.2 Retention

The current version and all past versions of this Policy are retained for at least 10 years (or longer if required by law).

Article 12: Final Provisions

12.1 Effectiveness

This Policy takes effect on the date of approval by the Board of Directors.

12.2 Priority

This Policy takes precedence over all internal rules and procedures of the Company. In case of conflict between this Policy and other internal rules or procedures, this Policy shall prevail. However, if laws or regulations stipulate more stringent requirements than this Policy, such laws or regulations shall prevail.

12.3 Interpretation

Any questions regarding the interpretation or application of this Policy shall be referred to the Compliance Department. For significant interpretation issues, the Compliance Department may refer to the Conflicts of Interest Management Committee and seek advice from external legal experts as necessary.

12.4 Language

This Policy is prepared in United States of America, and the English version shall be the official text. If a translated version of this Policy is prepared, in case of any conflict or inconsistency between the English version and the translated version, the English version shall prevail.

12.5 Supplementary Provisions

This Policy was approved by the Board of Directors on March 1, 2025 and takes effect on the same date.

End