

## Conflicts of Interest Statement

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### Introduction

Mirabaud Securities Limited entities and its subsidiaries (“MSL”) are involved in a full range of investment services, including primary capital markets activities, research and agency stock broking. As such, MSL may have a material interest or conflict of interest in the services or transactions it performs with or on behalf of its clients. In accordance with the Financial Conduct of Authority (“FCA”) rules, MSL has a Conflict of Interest Policy which outlines the arrangements in place to identify and manage conflicts of interest that exists, or may, arise as the result of the firm providing services or performing activities on behalf of its clients.

### Identification of Conflicts of Interest

Internal policy, procedures and guidance are given to all employees so that they understand what is a conflict of interest, how they may arise and the means to effectively or fairly manage them in the best interest of a client or group of clients. In particular the following are examples of processes that are in place to identify conflicts of interest:

- All employees are required to disclose any actual or potential conflicts of interest on joining MSL, and annually thereafter, and when a new conflict of interest presents itself;
- All employees are required to seek pre-approval before executing a personal account transaction;
- All Committees consider actual or potential conflicts of interest and require members to self-disclose and recuse themselves where necessary; and
- Compliance reviews the Conflict of Interest framework annually, which includes a review of the Conflict of Interest Register and the effectiveness of the management of each conflict.

### Actual or Potential Conflicts of Interest

The following are some examples of the type of activity, relationship or arrangement that MSL or an affiliate or agent connected with MSL could be involved in which may give rise to an actual or potential conflict of interest:

#### Primary Market Transaction & Research

- A mandate could be offered to the firm which involves two corporate clients on either side of the transaction, or the firm is arranging a transaction and providing services to both the corporate client and the investors;
- To win a mandate, Primary Research could issue a note which unjustifiably promotes the quality of the deal and or the prospects of the corporate client;
- The Primary Sales team could solicit investors to participate in a transaction – employees and Mirabaud Group affiliates may also participate – and the final allocation may be unfair;
- The firm’s fee for a mandate may be in the form of warrants or fee shares which are held by the firm on its non-trading book. The holding and its subsequent sale may influence the firm’s decision-making process and may affect the corporate client’s underlying share price;
- The Primary team is in possession of inside information or confidential information (collectively “sensitive information”) relating to corporate clients and issuers which it unlawfully discloses to employees not in the Primary department; and
- The Primary team invests in or has provided a loan to the corporate client.

#### Secondary Market Transactions, Research & Marketing Communication

- High-touch sales traders may see low-touch client orders and may change their execution strategy for the high-touch order to suit their client to the detriment of the low-touch client order;
- The Secondary trading team service multiple clients and may have to arrange crosses between two different clients, some of whom may be Mirabaud Group affiliate entities;

- The Secondary Research team produces investment research which may contain sensitive information which is unlawfully shared with other employees. The team uses the sensitive information for personal gain or executes a personal account transaction contrary to the research note's recommendation; and
- The Secondary trading team is responsible for producing non-independent research (marketing communication) and submitting trade ideas into Alpha Capture systems but may also trade on their personal account.

#### Firm-wide

- Outside directorships and interests may cause behaviours that favour the staff member and not the firm's clients;
- Gifts and entertainment received from clients may lead to their more favourable treatment over other clients;
- Remuneration structure incentivises staff to behave improperly and offer unsuitable investments to clients;
- Committee members may have an outside interest which may influence their decision-making; and
- A senior manager has responsibility over multiple functions.

### **Managing Conflicts of Interest**

MSL uses a range of regulatory tools and controls to ensure that identified conflicts of interest are managed effectively and fairly and that MSL and its employees conduct themselves and their investment activities so as to ensure that the interests of clients come first or are sufficiently protected. The firm relies on the following approaches to manage conflicts of interest:

- Governance – MSL has governance arrangements designed to have oversight of key business decisions, which also includes the identification and management of conflicts of interest. The firm maintains a Conflict of Interest Register which is updated as and when any actual or potential conflicts of interest are identified, and reviewed annually by Compliance and senior management;
- Training – All employees of the Group receive Conflicts of Interest training which includes e-Learning and classroom sessions;
- Disclaimers – All research are labelled as such and its disclaimer includes a section outlining any actual conflict of interests. All marketing communication is clearly labelled as such in the disclaimer;
- Contractual arrangements – MSL has provisions in its employment contract that cover employee conduct and the disclosure of potential or actual conflicts of interest. Furthermore, the Compliance Manual, Conflict of Interest Policy and Employee Contract advocate employee independence as a measure to ensure employees act in the clients best interests
- Reporting Lines – MSL has clear and well defined reporting lines which are detailed on organisation charts maintained by the HR Department;
- Segregation of functions – MSL segregates the functions and duties of each department appropriately to avoid conflicts of interest. No person outside of the Research Department exerts any editorial influence over the content of research. Draft research may be shown to other employees, or to persons outside MSL solely in order to allow them to comment on the factual content of the research;
- Restricted List – MSL has a restricted list to identify financial instruments and or issuers which the firm is mandated to offer either advisory services or arrange a capital markets transaction;
- Remuneration – MSL remuneration ensures fixed and discretionary remuneration does not create the improper behaviour that might cause conflicts of interest;
- Personal disclosures – All directors, officers and employees are required to disclose any personal outside business interests, including directorships, substantial shareholdings and connected persons working in the financial industry;
- Chinese walls – Access to, and movements of, information to relevant employees are controlled to protect each clients' interests and prevent improper access to, and use of, such information. Employees on the private side or who are wall-crossed are added to the Wall-Crossing Register and are reminded of the consequences of having such information. In particular, the prohibitions and restrictions pertaining to Market Abuse;

- Restrictions on personal account dealing; and
- Restrictions on gifts, entertainments and third party receipt or payment of monetary and non-monetary benefits.

If MSL's arrangements to manage a conflict of interest are not sufficient to ensure with reasonable confidence that the risk of damage to that client's interests is prevented, the client will be advised of the general nature and or source of the conflict in such a way that an informed decision can be made by that client before business is undertaken. Alternatively, the firm may choose to cease, or not go through with the proposed business at all as a means of safeguarding the client's interest.

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