

## Conflicts of Interest Policy

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### Introduction

All Mirabaud UK entities and its subsidiaries (the "Group") are involved in a full range of investment services, including corporate finance and capital markets activities; research; agency stock broking; settlement and portfolio management services. As such, the Group may have a material interest or conflict of interest in the services or transactions it carries out with or on behalf of its clients.

In accordance with the FCA rules, the Group utilises a Conflict of Interest Policy which outlines the arrangements we have in place to manage conflicts of interest that may arise when we provide services or execute transactions for our clients.

The policy may be updated from time to time in order to reflect developments affecting our business or internal organisation or changes to applicable regulatory rules and guidance.

### Potential conflicts of Interest

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

- giving investment advice and/or providing services to another person about or concerning an investment in relation to which a client is entering into transactions;
- dealing as agent in an investment or related security whilst having another client who is also interested in dealing in the same investment or related security;
- whilst dealing as agent on behalf of a client, matching (or crossing) a transaction with that of another client for whom the Group are simultaneously dealing on behalf of;
- being involved as a financial adviser, broker or otherwise, in a new issue, underwriting, rights issue, takeover or similar transaction concerning the investment, or the issuer of the investment or a related investment;
- trading (or have traded) for or on behalf of other clients, having either a long or short position in the investment concerned, or other related investments or otherwise pursuing the Group's or such other clients legitimate business as a dealer (including entering into an agreement for underwriting of an issue of financial instruments) in connection with the investment concerned or related or other investments;
- buying and selling units or shares in a collective investment scheme where the Group or an associate are the trustee or operator (or an adviser) to the scheme;
- having other business relationships, including investment banking relationships, with the company, or a related entity, in relation to whose securities clients are entering into transactions;
- holding an investment for a client on a discretionary managed basis which the Group are in the process of buying or selling for another client;
- employees of the Group engaging in personal account dealing in respect of securities where a client has an interest that potentially conflicts with such dealing;
- Providing or publishing investment research which may cover corporate clients or companies to whom the Group also provide corporate finance advisory services.

## Managing potential conflicts of interest

The Group uses a range of regulatory tools and other controls which ensure that potential conflicts, once identified, are managed appropriately and that the Group and its employees conduct themselves and their investment activities so as to ensure that the interests of clients are protected. The following approaches are used in managing conflicts of interest:

- Governance
  - The Group has robust governance arrangements and key business decisions are ratified by the appropriate governing body and minuted;
  - The Heads of Compliance ( MAML & MSL) provide quarterly reports to the governing bodies which incorporate conflicts of interest issues;
  - The Group has rules in the standard employment contracts that cover employee conduct and conflicts that may arise
  - The Heads of Compliance maintain a Compliance Register which they review quarterly and is reviewed by the senior management and governing bodies at least annually
  - All employees of the Group receive Conflicts training which includes e Learning, classroom and through Town Hall Presentations
- Reporting Lines – The Group has defined and clear reporting lines which are detailed on organisation charts maintained by the HR Manager. All employees also have comprehensive job descriptions
- Segregation of Functions - SYSC 5.1 requires segregation of functions & duties as appropriate to avoid conflicts of interest wherever possible. These duties are set out via job descriptions, procedure manuals and organisation charts. Ensuring these duties remain segregated is the responsibility of team heads but overseen by senior management and Heads of Compliance.
- Remuneration - Potential conflicts arising and arrangements for controlling/mitigating them are identified in the Conflicts of Interest Register.
- Disclosure of Personal Conflicts – All employees, partners and directors are required to disclose conflicts of interest. The Heads of Compliance will record such conflicts in the Conflicts Register and inform the Governing Bodies of any mitigating actions taken.
- Control of access to, and movements of, information to relevant employees to protect each clients' interests and prevent improper access to, and use of, such information. This is mainly through the use of Chinese Walls which physically segregate different departments in order to limit the flow of information. The regulatory effect of Chinese Walls is that individuals on "the other side of the wall" will not be regarded as in possession of sensitive information.
- Compliance with a policy of independence requires that the Group's employees act in the clients best interests and therefore disregard their own interests, relationships or arrangements when advising or dealing on clients behalf.

If our 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.
- Personal account dealing restrictions.
- Gifts and entertainments policy.
- If the use of Chinese Walls are not sufficient, disclosure to the client of the relevant interest, relationship or arrangement concerned and obtaining consent from the client to proceed; in exceptional circumstances the

Group may choose not to deal with the client, in such circumstance the Group will be unable to disclose the reason for this.

### **Identification of potential Conflicts of Interest**

Internal guidance is provided so that all personnel are aware of how conflicts of interest may arise and understand the Group's, and their own, obligations in relation to the management of conflicts of interest. In particular, all directors, officers and employees are required to disclose any personal outside business interests, including directorships, substantial shareholdings and connected persons a register of which is kept and regularly reviewed by the Compliance Department, the senior management and the Group's various governing bodies. All employees are forbidden from offering, soliciting or accepting any inducement or incentive for the provision of favourable research. If they are offered any such inducement or incentive they are required to report this to the Compliance Department.

There are two main areas in which the Group experience potential conflicts of interest in transaction specific circumstances such as corporate finance activities and in the provision of investment research. These are covered below in detail.

### **Management of Material Interests and Conflicts of Interest in Corporate Finance Transactions**

Where the Group is engaged in corporate finance or capital markets activities there may be potential conflicts of interest whereby the Group may provide corporate finance or corporate broking advice to one client whilst also acting for investors in that client or providing such advice to other clients who operate in the same industry sector. In addition any sensitive information regarding transactions such as fundraising and placements must not be disseminated to those engaged in dealing activities with clients.

In order to manage these potential conflicts of interest the Group use Chinese Walls (as described above) to ensure that sensitive information is not available to employees who may be engaged in dealing activities with clients. In addition management structures that support these restrictions on the flow of information are used. Where the Group operate Chinese Walls they are monitored by the Compliance department to ensure that information does not flow from one side of the Chinese Wall to the other, unless an employee is deliberately being taken "across the wall". As and when employees become involved in transactions initially or are taken across the wall they are placed on an "Insider List" which is maintained by the Compliance Department and as and when sales employees get involved in pre-marketing they are also placed on the Insider List until the transaction becomes public information usually via a formal announcement.

All employees must obtain prior approval to undertake personal account transactions pursuant to the Group's Personal Account Dealing Policy. Any stocks in which the Group are involved in a corporate finance transaction are entered onto a Restricted List which is maintained by the Compliance Department and any personal account dealing is monitored accordingly by the Compliance Department in view of the Restricted List. Once transactions are made public the stocks are removed from the Restricted List.

### **Management of Material Interests and Conflicts of Interest in Investment Research**

This section relates to the specific investment research and investment research recommendations prepared, published and disseminated by the Group's Research Department. It does not cover trader commentary, trade execution ideas or

any other analysis, including information about the demand or supply or the volume or prices that a particular investment or investments may be trading at, that emanates from the sales trading desks operated by the Group and is provided to the Group's clients or potential clients. Such sales trading generated information will be clearly marked as such, so as to avoid any potential that the information provided constituted either research or if it could be construed as research, is non-independent research.

The Group aim to provide high quality investment research produced in good faith and with the proper and due diligence that can be expected of the Group by clients and prospective clients. In general, the Group aim to provide independent investment research, although at times, our activities and those of our investment analysts may result in the Group providing research that may be considered non-independent. Accordingly, all the Group's written research will be accompanied by a disclaimer which explains its status, so that independent and non-independent research can be clearly distinguished.

### **Editorial Independence**

The Heads of the various research divisions supervise all the investment analysts and their research, and have ultimate responsibility for the subject matter, content and timing of publication of our research. All research is subject to review by the relevant Head, the level of review reflecting the experience of individual investment analysts. No person outside of the Research Department exerts any editorial influence over the content of research, although draft research may be shown to other employees, or to persons outside the Group (such as the directors of the companies over which the research is being issued) solely in order to allow them to comment on the factual content of the research. If as a result of this review, an analyst proposes to make significant changes to the draft research those changes will be discussed with the relevant Head.

The Compliance Department may also review draft research in order to ensure that it complies with applicable legal and regulatory requirements (including this Policy).

### **Location of Research Department**

Although the Research Department shares the same office space as the institutional broking teams, it is located significantly away from the dealing desks. All members of the Research Team are aware that they should not discuss their work and findings prior to completion and review of their research and subsequent publication. In the event that their research work places them in a position that they are an "insider", they must communicate the fact that they are inside to the Compliance Department, who will place them on the Insider List (described above) and determine the appropriate actions to be taken such as placing them on the Restricted list maintained by the Compliance Department.

### **Remuneration Policy**

The remuneration of the investment analysts is based on a market rate basic salary and a discretionary bonus dependent upon personal and Mirabaud Securities Limited's ("MSL") own corporate performance. However, in order to establish a bonus pool, a percentage of the commission earned by MSL is allocated to a research bonus pool, as a method of reflecting the contribution the Research Department makes towards ideas generation and providing advice to clients. The value of this pool is not disclosed to the investment analysts or Head of Research and is not linked to any specific transactions.

In dealing with personal performance, factors such as the analyst's productivity, the quality and accuracy of their research, the individuals experience and reputation and input from clients or employees in other parts of the business with whom the analysts interacts, are taken in to account. Such factors will be assessed in such a way so as not to put the analyst under undue pressure as to influence his behaviour in such a way that it impairs his independence.

### **Personal Account Dealing**

The Heads of the various research divisions and the investment analysts are not permitted to personal account deal in investments that are subject to a working brief to produce an investment research or research recommendation.

### **Timing of Publications**

The date and timing of the issuance of any research is determined by the individual investment analysts and is not subject to amendment by management.

### **Dissemination**

All formal research must, so far as is practicable, be distributed to all clients on the Group's mailing lists simultaneously and in the same manner (such as by post or by e-mail). Employees are not permitted to send research to some clients ahead of others, or send research to different clients by different means unless this is necessary for technical or logistical reasons.

The Group's employees may also send "flash notes" or other informal written analysis to particular clients rather than to all clients as a whole and they may also speak to individual clients to discuss research. Research that is originally communicated to just some clients (either orally or by "flash notes" and other written communications) may subsequently be incorporated into the Group's research. This means that the information or analysis in research may not have been communicated to all clients simultaneously.

### **Disclosure of Interests**

All research will include a standard form disclaimer which discloses that it and/or connected persons may, from time to time, have positions in, make a market in or effect transactions in any investment or related investment covered by the research.

### **Third Party Research**

Periodically, the Group forward on to employees and clients, research it has received from third parties. This research is forwarded in a non-amended format, but the relevant disclosures required by the COBS Rules are made on the forwarded material.