

## Conflict of Interest Policy

The identification and prevention of conflicts of interest and the proper management of such conflicts represents an important task for any financial services firm.

### Overview

A conflict of interest is a situation in which someone in a position of trust has competing professional or personal interests. Such competing interests can make it difficult for individuals to fulfil their duties impartially. A conflict of interest may exist even if no unethical or improper act results from it.

Equitrade Capital Limited ("ECL") is committed to identifying, monitoring and managing all actual and potential conflicts of interest that can arise between us and our clients and between clients of all areas of the Group.

In the event of a conflicts of interest arising, we identify that our actions to manage the conflicts of interest is not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of our client will be prevented, we will clearly disclose the general nature and/or sources of conflicts of interest to our client before undertaking business for the client.

The purpose of this document is to provide our clients with appropriate information in relation to the policies we have in place to manage conflicts of interest.

Below you will find a summary of the principal conflicts that exist in our business and the steps we take to mitigate them. If you have any questions on this policy in the first instance please raise these with your usual contact at the firm.

A conflict of interest arises where Equitrade Capital Ltd puts itself in a position where its duty to one party conflicts either with its self-interest or with its duty to another party. For a Broker a conflict of interest will arise when a Broker's personal interest interferes in any way with the interests of any of Equitrade Capital Ltd's clients. A conflict situation will arise when a Broker takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. A conflict of interest may also arise when a Broker or a member of their immediate family, receives inappropriate personal benefits, including those not necessarily giving an economic benefit, as a result of their position in Equitrade Capital Ltd.

Equitrade Capital Ltd has taken extensive measures for the prevention, early identification and management of conflicts of interest. Conflicts of interest could arise in particular in the following circumstances (this list is not exhaustive):

- if information is available to Equitrade Capital Ltd or its em-

- ployees which is not yet publicly known;
- as a result of personal relationships of our employees, the company management or persons associated with them or if these persons serve on the boards of other companies;
- when producing, publishing or distributing financial analysis or other information about financial instruments, where these directly or indirectly recommend a particular investment decision;
- where Equitrade Capital Ltd acts on behalf of clients in similar business sectors;
- where Equitrade Capital Ltd is likely to make a financial gain (or avoid a loss) at the expense of its client;
- where Equitrade Capital Ltd has a financial or other incentive to favour the interests of one client over another;
- where Equitrade Capital Ltd receives money, goods or services from a third party in relation to services provided to a client other than standard fees or commissions;
- where Equitrade Capital Ltd has a relationship with a client that has interests in a transaction that may be in conflict with the interests of another client;
- where Equitrade Capital Ltd is knowingly in a position whereby our own interests, or our duty to another party, prevent us from discharging our duty to our clients

### Clients in Similar Business Sectors

If a conflict arises where Equitrade Capital Ltd acts on behalf of clients in similar business sectors, in the absence of a Confidentiality Agreement between the client and Equitrade Capital Ltd, the use of confidential information as compared to general sector knowledge has to be managed.

The information gained from client work as part of Equitrade Capital's experience and knowledge can be used by Broker's in the course of their work but the Broker may not divulge any specific knowledge to anyone else without the client's permission unless an exception applies.

Equitrade Capital Ltd can use general sector knowledge to benefit any client i.e. the information and experience Equitrade Capital Ltd has attained in its business dealings over the years and for Broker's the information, skill and experience that a Broker has attained over the course of employment with Equitrade Capital Ltd or any other company.

### Equitrade Capital and Its Own Interests

From time to time, the commercial interests of Equitrade Capital may be in conflict with those of its clients. In these circumstances Equitrade Capital will be transparent with the client where it believes a conflict exists.



## Equitrade Capital Ltd's Management of Conflicts of Interest

In order to prevent and identify existing or potential conflicts of interest, and to resolve such conflicts in an appropriate manner, Equitrade Capital Ltd has a robust compliance function that reports to its board and has established measures which can be applied at any stage of our conflicts management process. Equitrade Capital Ltd's approach to managing conflicts of interest is through a combination of transparency and, where required, the informed consent of the party or parties involved.

### Gifts and Inducements

On occasions our employees may personally benefit from dealings with potential or existing clients, suppliers, services providers etc. A Gifts and Inducements Policy is in place to ensure that these are not excessive and do not create an obligation or debt.

### Staff Awareness

To ensure that policies and procedures are not only understood, but also implemented the following measures are in place:

- All new workers are provided a copy of the policies and procedures with their induction material and are asked to sign in writing confirming that they have read and understood the policy;
- Training is provided and ongoing training measures are also provided to teach staff to identify how conflicts of interest arise in their particular area and how they can be avoided and managed;
- There are personal account dealing rules setting out restrictions for personal transactions;
- There are policies and procedures in place governing accepting and giving gifts and financial advantages which sets out the requirement to report and seek approval for gratuities or benefits received in connection with doing business. Staff are not permitted to accept such gratuities or benefits above a set minimal level without the prior approval of Equitrade Capital Ltd's Compliance Officer.
- Staff are also not allowed to demand from or grant to customers or business partners any personal gratuities or benefits such as personal discounts, cash or gifts equivalent to cash in any amount as part of their business activities.

The measures described are set out in internal guidelines on dealing with conflicts of interest and are set out in an Office Manual and Compliance Manual within the office and available to all workers and binding for all members of staff of Equitrade Capital Ltd, in compliance guidelines and in other internal handbooks. All arrangements are checked regularly by the Compliance Officer to

ensure they are being adhered to, are effective, and are adjusted where necessary;

Compliance conducts periodic monitoring and surveillance on conflicts of interests;

Compliance maintains a confidential register of conflicts listing ongoing or transaction related business relationships with customers and advisory mandates, in order to identify potential conflicts of interest at an early stage.

### Remuneration

The remuneration of staff usually consists of a salary and a performance related commission/bonus. We strive to ensure our employees remain motivated whilst at the same time ensuring this remuneration scheme does not encourage inappropriate behaviour. We recognise this conflict and through our monitoring mechanisms remain alert to potential abuse.

### Business Interests and Suitability

Where we use our discretion to make decisions or provide any advice or recommendations we are required to ensure that our actions are suitable for our clients. However, we or some other person connected with us may have an interest, relationship or arrangement that is material to the service, transaction or investment concerned. This may include matters such as the retention of commissions which we receive from a third party

In addition our employees may have an interest, relationship or arrangement whereby they act as a trustee, hold power of attorney on behalf of a client or act as a Director for a corporate client. We require our employees to declare any such interests to us. To manage such conflicts, we require our employees to disclose Directorships and interests in other companies obliging them to disregard and disclose the interest, relationship or arrangement concerned when acting on your behalf. On occasions we may invest in funds for commercial reasons that our clients have invested in directly. In the event that we decide to redeem our holdings in those funds, we will, where known, endeavour to inform those clients of our proposed course of action.

### Withdrawing from activities

Where the precautions and measures to resolve conflicts of interests described above are insufficient, Equitrade Capital Ltd will disclose the conflict of interest to the client concerned before providing services.

Where disclosure is not a suitable way of resolving conflicts of interests, Equitrade Capital Ltd will withdraw from acting for one or more parties to the conflict.