

Conflicts of Interest Policy

CCBI Global Markets (UK) Limited ("**CCBIUK**" or the "**Company**") conducts its business according to the principle that it must manage conflicts of interest fairly, both between itself and its clients and between one client and another.

This Conflicts of Interest Policy (the "**Policy**") sets out the controls and processes in place to ensure that actual and potential conflicts of interest are managed fairly, maintaining the highest professional standards and principles, while seeking to operate in the best interest of its clients.

Types of Conflicts

In line with SYSC 10.1.4R, CCBIUK's Conflicts of Interest Framework seeks to prevent or manage conflicts in the following areas where the firm:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client; or
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Identification of Conflicts

CCBIUK is required to take appropriate steps to identify conflicts of interest within the Company, between itself and its clients, and between the interests of different clients. Potential conflicts identified by CCBIUK include, without limitation, the following:

- conflicts between the interests of two or more business units of CCBIUK dealing with the same client;
- conflicts between the interests of two or more clients serviced by the same business unit within CCBIUK;
- conflicts between the interests of CCBIUK, its Employees and their associates and the interests of one or more clients;
- conflicts between the interests of services provided by CCBIUK and third party service providers;
- conflicts between CCBIUK and its shareholders, including affiliate companies under the control of the shareholders;

- conflicts between one or more Employees and the interests of CCBIUK;
- CCBIUK dealing as principal for its own account by selling a derivative to a client or buying it from a client, or otherwise having a holding or dealing position in the instrument concerned and/or a related instrument;
- CCBIUK matching one client's transaction with that of another client and to receive/retain commission from both;
- CCBIUK putting its own interests over that of a client;
- conflicts between clients where different rates of commission charged result in preferential treatment for one client;
- CCB or CCBI Group Companies having other business relationships including but not limited to Investment Banking, Corporate Banking and the production of Investment Research which conflict with the interests of CCBIUK clients;
- providing services to a client in relation to a derivative in respect of which another client is entering into transactions in substantially the same derivative;
- trading proprietary positions in a derivative when, at the same time, CCBIUK has information about future client orders in relation to that derivative; and
- recommending clients to buy/sell a particular financial instrument related to a commodity when at the same time another part of CCB, CCBI Group and/or CCBIH is in possession of inside information in relation to the same commodity.

This list is not exhaustive and CCBIUK and its Employees are required at all times to consider the need to act independently of any conflict.

Preventing Conflicts

CCBIUK will manage or prevent conflicts of interest using a combination of some or all of the following high-level measures:

- information barriers where the exchange of information may harm the interests of one or more clients;
- different supervisors/managers for employees who act in conflicting businesses;
- not linking remuneration to the performance of conflicting businesses;
- measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities; and
- measures to prevent or control the simultaneous or sequential involvement of persons between conflicting business areas within the firm if such involvement may impair the proper management of conflicts of interest.

Managing Conflicts

CCBIUK undertakes action in the following areas as part of managing conflicts that may arise.

Independence – where CCBIUK and/or its Employees are carrying on business activities, CCBIUK will disregard any material interest which it or any of its subsidiaries or affiliates may have when arranging transactions or undertaking other investment services with or for its clients.

Inducements – CCBIUK seeks to ensure that payments made and received in relation to an investment service are disclosed in a comprehensive, accurate and understandable way to its clients. At the time of this policy version, CCBIUK does not make or receive any “inducement” payment in relation to an investment service being provided to a client. However if this situation was to change, in relation to inducements, CCBIUK would apply the following three tests, all of which have to apply:

- (a) The payment must not impair the compliance with the firm’s duty to act honestly, fairly and professionally in the best interests of the client;
- (b) That details of the inducement are disclosed to the client in a manner that is comprehensive, accurate and understandable (and in line with the regulatory requirements), before the provision of the service; and
- (c) That the inducement is designed to enhance the quality of the service to the client.

In addition to the above, CCBIUK operates a Gifts and Entertainments Policy to ensure the receiving and giving of benefits does not affect an employee's fair judgement or prevent them from carrying out their duties fairly and in the best interest of the client.

Client Priority – While detailed more fully in CCBIUK’s Order Execution Policy, client orders should have priority over proprietary orders or staff orders. Client orders should be executed in due turn.

Staff personal account trading – All CCBIUK Employees must adhere to the Firm’s personal account dealing policy, this restricts all Employee dealing and has placed reporting obligations on the dealing that is permitted. Employees are not allowed to trade on a personal account basis any financial instrument that CCBIUK offers investment services in to its clients.

Joint or Cross Selling/Business Solicitation – Subject to the compliance of applicable laws of all relevant jurisdictions, where CCBIUK engages in joint/cross selling or business solicitation activities with other CCB Group Companies, CCBI UK will seek to mitigate any potential or actual conflicts.

Reporting Lines and Remuneration – Reporting lines are designed to avoid any conflicts arising. Where appropriate, CCBIUK has in place separate supervision or functional or physical segregation arrangements that are designed to prevent the simultaneous involvement of Employees in separate services or activities where such involvement may impair the proper management of conflicts.

In line with SYSC 19, remuneration structures are designed so as not to create an incentive for an employee to act contrary to a client’s best interest. Reviewed annually, CCBIUK’s Remuneration Policy sets out specific

measures, which include, but are not limited to, variable pay required to adhere to a set of policy principles, comprised of both financial and non-financial goals, while the awarding of such pay requires independent contributions from the Compliance Department, the Risk department and the Finance department.

Outside Business Interests – CCBIUK requires that Employees do not engage in any practice or pursue private interests that may conflict with the interests of CCBIUK or its clients. CCBIUK Employees are required to disclose their outside interests to the Compliance Department who will determine whether there is a conflict of interest.

Record of Conflicts

CCBIUK's Compliance Department maintains a central Record of Conflicts, detailing all services and or activity that results in a conflict that is deemed to pose a material risk of damage to the interests of one or more clients, as identified by each department, as well as recording preventive action taken to mitigate each conflict, or where any risk remains what steps have been taken to manage this, including any remedial measures to be taken to eliminate this risk, or as a measure of last resort note whether CCBIUK has taken the decision to either disclose to the client or decline to act on their behalf.

Where clients feel their interests have been conflicted they are encouraged to immediately notify CCBIUK's Compliance Department at:

CCBI Global Markets (UK) Limited
4th Floor
111 Old Broad Street
London
EC2N 1AP

or

Email it to ccbiuk_compliance@ccbintl.com

Alternatively you may contact us by phone on:

+44 (0) 20 3878 8010