

## **CONFLICTS OF INTEREST POLICY**

**This Conflicts of Interest Policy is applicable to broker services provided to you by the Tradition Group of Companies (collectively known as 'Tradition' or 'we') as outlined in the attached listing.**

**This Conflicts of Interest Policy should be read in conjunction with our General Terms of Business.**

### **Overview**

The primacy of our customers' interests is one of the foundations of the Tradition Group's ("the Group") code of ethics and, as such, is one of the guiding principles of the activities of each entity within the Group. In order to uphold this principle and ensure continued public trust in our activities, all entities of the Group must operate in a manner that prevents or manages any potential conflict of interest between an entity within the Group and its customers that may entail a material risk of damage to a customer's interests.

This conflicts of interest policy aims to prevent or manage any material conflicts of interest likely to appear in any Group company's dealings with customers and is fully supported by Group senior management.

### **Purpose of the Conflicts of Interest Policy**

The purpose of this policy is to;

- (a) identify any potential conflict of interest that might pose a material risk of damage to customers' interests;
- (b) summarise the arrangements the Group has put into place to prevent or manage such conflicts of interest;
- (c) promote and maintain systems which aim to prevent actual damage to customers' interests through the identified conflicts.

### **Potential Conflicts of Interest**

A conflict of interest is defined as a situation arising in a business relationship where the capacity of a person to make an independent decision or judgment may be influenced or prejudiced by considerations of a personal nature, or considerations emanating from a third party, resulting in the interests of the customer being inappropriately affected.

The following circumstances have the potential to create or give the appearance of a conflict of interest;

- (a) the Group or an individual acting on behalf of the Group is in possession of information obtained in the ordinary course of business and such information is not publicly known;
- (b) the Group or an individual acting on behalf of the Group has an interest in the outcome of a service or transaction provided to the customer which is distinct from the customer's interest in that outcome;

- (c) the Group or an individual acting on behalf of the Group, as a result of other business activities within the Group, carries on the same business as the customer;
- (d) the Group or an individual acting on behalf of the Group has a financial or other incentive to give preference to the interest of the Group, or customer over the interests of any other customer;
- (e) the Group or an individual acting on behalf of the Group receives or will receive from a person other than the customer (for example a correspondent broker or introducing agent) an inducement in relation to a service provided to the customer, in the form of monies, goods or services, other than the standard commission or fee for that service.

### **Arrangements to Prevent or Mitigate Potential Conflicts of Interest**

The Group ensures that all employees comply with their professional duties in the exercise of their activities. Local management is responsible for ensuring adherence to this policy which is supported by internal controlling functions including each local Compliance Department.

The Group has devised and implemented organizational measures, rules and procedures which have been designed to prevent or mitigate potential conflicts of interest, including in particular;

- (a) a Group wide Code of Ethics which reflects the commitment of the Group to ensure that;
  - (i) its employees comply with a set of standards designed to safeguard all confidential information entrusted to it by its customers in the process of dealing with the Group;
  - (ii) staff dealing policies are clearly defined; and
  - (iii) honesty, integrity and fair dealing is maintained at all times.
- (b) identification of areas of potential conflict of interest which might lead to a material risk of damage to a customer's interest;
- (c) where possible, hierarchical separation and physical barriers, otherwise known as 'Chinese Walls', between the activities likely to involve potential conflicts of interest, thereby aiming to prevent any undue transmission of information confidential to customers;
- (d) identification and control of remuneration received or paid as a consequence of services and/or transactions carried out with customers;
- (e) the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by different relevant persons principally engaged in another activity, where a potential conflict of interest may arise in relation to those activities;
- (f) policies providing transparency for gifts or advantages received within a professional situation;

- (g) disclosure of and restrictions on outside interests such as directorships of other companies;
- (h) monitoring of any outsourced activity, within or outside the Group;
- (i) robust Personal Account Dealing policies, procedures and monitoring programmes;
- (j) central data release management processes.

### **Disclosure**

Under certain circumstances, it may be possible that despite the Group's comprehensive set of procedures and controls, a potential or actual conflict of interest may arise. In such circumstances, the Group or any individual acting on behalf of the Group may deem it appropriate to disclose to the customer the potential or actual conflict of interest and seek the customer's formal consent to proceed regardless of any such conflict. Alternatively the Group or any individual acting on behalf of the Group may decide to decline to act in any circumstance where there is a residual risk of damage to the interests of any customer.

### **Control**

The Group through its local management is responsible for the control of all procedures aimed at the prevention and mitigation of potential conflicts of interest. The Group and its local management are assisted by internal controlling functions which ensure that such procedures are correctly implemented and applied.

To implement this policy effectively the Group and its local management will;

- (a) control and monitor all internal rules and procedures aimed at governing the flow of confidential or privileged information;
- (b) control the separation of activities in potentially conflict-provoking situations, as well as the separation of sections in contact with customers (customer facing functions) and sections in charge of the treatment and recording of operations (middle, back office and settlements), irrespective of whether those areas are internal or outsourced;
- (c) control the separation of operational areas acting on behalf of customers and those acting on behalf of the Group, irrespective of whether those areas are internal or outsourced;
- (d) carry out regular reviews of situations likely to generate potential conflicts of interest, including those occurring between entities within the Group.

### **Contacts**

Senior management at each Group entity is available to respond to any questions and provide guidance regarding the interpretation of this policy. For further details please visit the Group website at <http://www.traditiongroup.com>