

Summary Conflicts of Interest Policy

Overview

FCA Principle 8 (Conflicts of Interest) states that:

‘A firm must manage conflicts of interest fairly, both between itself and its clients and between one client and another.’

‘SYSC (Systems and Controls) 10.1 in summary requires a firm to establish and maintain an effective conflicts of interest policy appropriate to the size of the organisation and nature, scale and complexity of the firms business.’

The purpose of this Policy is:

- to identify, by reference to the specific services and activities carried out by Panmure Gordon, the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients; and
- to specify procedures to be followed and measures adopted to manage such conflicts.

Identification

To effectively manage conflicts of interest, Panmure Gordon has measures and controls in place to identify potential conflicts of interest and has taken steps to identify any such conflicts that may arise in the course of providing regulated activities and services to its clients. Conflicts could occur between:

- the Firm (including its managers, employees or any person directly or indirectly connected to them by control; collectively ‘connected persons’) and a client of the Firm; and
- one client of the Firm and another client;

Conflicts may also arise in the course of the Firm providing any services in the course of carrying on regulated activities, including those caused by the receipt of inducements from third parties.

Panmure Gordon uses the following criteria to identify potential conflicts of interest that could arise. The firm or a relevant person:

- Is likely to make a financial gain or avoid a financial loss at the detriment of the market or a client;
- Has an interest in the outcome of the service provided to the client or transaction carried out on behalf of the client which would be to the detriment of a client;
- Has a financial or other incentive to favour the interests of one client or group of clients over another;
- Carries on the same business as the client; or
- Receives or will receive an inducement from a person other than the client in relation to the service provided to the client

Once a conflict has been identified, controls are implemented to ensure it is appropriately managed.

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Potential Conflicts

Panmure Gordon is involved in a wide range of corporate finance business, investment banking activities, including corporate advisory and capital markets activities. Panmure Gordon has identified a range of circumstances which may give rise to a conflict of interest that may, potentially be detrimental to the interests of one or more clients.

The following are a few examples of potential conflicts of interest that may arise:

- Corporate Finance and Mergers and Acquisition:
 - Providing advice to clients who are direct competitors to one another;
 - Acting for both the corporate client and the bidder; or
 - Providing advice to the corporate client and potential investors.
- Research:
 - Research analysts may be compelled/induced to produce favourable research;
 - Risk of distribution of research to favoured clients or employees ahead of other clients;
 - Information about content and timing of research may be leaked; and
 - Research analysts may communicate their views to sales/trading prior to publication.
- Personal Account Dealing
- Gifts, entertainment and inducements may create an appearance of impropriety

Prevention and Management

Panmure Gordon's procedures to prevent and manage conflicts of interest include a number of organisational and administrative arrangements to safeguard the interests of the clients and minimise the potential for conflicts to arise.

Examples include but are not limited to:

- Procedures to restrict the flow of confidential information or inside information – such as information barriers – and where applicable, physical separation and systems access restrictions
- Segregation of duties and supervision for persons engaged in different business activities including procedures for ensuring appropriate communication between businesses, restricting communications between Sales and Trading employees and Investment Banking employees
- Personal Account Dealing restrictions applicable to all staff, regardless of seniority, and their connected persons, including pre-approval and minimum holding periods
- All gifts and entertainment are recorded in a central register
- All staff receive training on conflicts of interest management
- An independent remuneration committee removes any direct link between the remuneration of an employee engaged in one activity and the revenue generated by another (ie: research and sales)

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Disclosure

Where Panmure Gordon does not consider that its arrangements to manage conflicts are sufficient, the firm will:

- disclose the conflict to the client and ask for their informed consent to continue to act
- may decline to act.

Panmure Gordon monitors compliance with its conflicts of interest policies and procedures to ensure conflicts of interest have been identified and appropriate controls implemented.

Contact

Should you have any question please contact your Relationship Manager.