

# INFORMATION ABOUT DAVY UK'S CONFLICTS OF INTEREST POLICY

This document contains a summary of Davy UK's Conflicts of Interest Policy designed to identify the conflicts of interest that arise between us and our clients and between different clients and to detail the procedures in place to prevent or manage such conflicts. Where we do not consider that the arrangements that we have in place are sufficient to ensure with reasonable confidence that a potential conflict of interest will not damage a client's interests, we will inform you of the nature of the conflict, the risks that arise due to the conflict, and the steps we have taken to mitigate these risks so that you may decide how to proceed. On occasion we may have to decline to act for a client if conflicts of interest cannot otherwise be properly managed.

Any reference to 'Davy UK', 'we', 'us' and 'our' means J&E Davy (UK) Limited and includes our successors and assigns.

## INTRODUCTION

The Davy group of companies, of which Davy UK forms part, currently offers a comprehensive range of stockbroking and related financial services to retail and professional clients, including discretionary investment management, the provision of investment advice on a managed or unmanaged basis, and execution services, together with associated custody, securities distribution and other activities related thereto, and where required a wealth planning service. In addition to these services some members of the group offer corporate finance and broking services to our clients. This involves the provision of a full capital markets service i.e. advice on flotations, secondary offerings, disposals, mergers and acquisitions, share buy backs, refinancing etc. In acting as sponsor to a number of companies listed on Euronext Dublin and the London Stock Exchange, Davy group companies provide transactional and day-to-day advice on the application of the relevant listing rules.

This document is not intended to provide a comprehensive account of the controls and procedures in place to manage all conflicts of interest ('conflicts') which may arise; it is intended to outline the main controls in place. We are committed at all times to ensuring that our business is conducted to high standards and in an ethical manner.

## IDENTIFICATION OF CONFLICTS OF INTEREST

As the Davy group of companies offers a wide range of financial services, it is inevitable that a number of potential or actual conflicts exist. This means that, from time to time, one or more entities within the Davy group may have interests which conflict with our clients' interests or with duties that we owe to our clients. This includes conflicts arising between the interests of entities within the Davy group and employees on the one hand and the interests of our clients on the other; and also conflicts between clients themselves.

In agreeing to our Terms you acknowledge that, when we and/or another entity within the Davy group are providing services to you, we and/or another entity within the Davy group, an associated company or some other person connected with us, may have an interest, relationship or arrangement that is material in relation to any transaction effected, service provided or activity carried out with you or that could lead to a conflict of interest. Such conflicts of interest may arise because we and/or another entity within the Davy group, or one of our associated companies, could be:

- dealing as principal for its own account by selling an investment to you or buying it from you. Certain members of the Davy group companies are registered with Euronext Dublin and the London Stock Exchange as market maker in equities and with Euronext Dublin as primary dealer in Irish government bonds. They may also act as a principal in transactions in other investment instruments. Any dealings as principal will be shown on the contract note we issue to you;
- dealing as agent for more than one client;
- matching your transaction with that of another client by acting for them as well as for you;
- buying or selling units in a collective investment scheme or other scheme where we are, or an associated company is, the trustee or operator of the scheme or an adviser;
- buying investments where we are involved in a new issue, rights issue, take-over or similar transaction related to the security;
- providing investment advice or other services to another person about or concerning the same investment;
- involved in business relationships with a company or a related entity in relation to an investment;
- producing and distributing investment research on the company or related entity that you seek to buy or sell shares in; or
- acting as investment manager or providing another service for an investment fund that we are recommending to you.

#### PREVENTING OR MANAGING CONFLICTS OF INTEREST

We take all reasonable steps to treat clients fairly and have administrative and organisational arrangements to ensure that our employees act independently and in a manner designed to safeguard the interests of our clients. These arrangements include:

- we have internal rules in place to ensure that confidential information is dealt with appropriately;
- where necessary we have procedures in place ('Chinese walls') which restrict the flow of information to certain employees in order to protect clients' interests and to prevent improper access to client information;
- we have rigorous rules and procedures in place governing personal account dealing by Davy group staff and their associates;
- all staff members receive regular training on Davy group internal rules and their obligations to act in the best interest of clients;
- where your order is executed against a J&E Davy account we will ensure that in doing so you are getting the best possible result;
- we have order allocation procedures to ensure that investment opportunities are fairly allocated amongst clients;
- we have strict controls and procedures in place to manage the specific conflicts of interest that arise when producing and issuing investment research;
- reporting lines and remuneration of research analysts and corporate finance personnel are entirely independent;
- we follow best practice and do not allow access to published research where necessary to manage the conflicts that exist in advance of and after an offering in a company's securities ("blackout period");
- we have a policy in place setting out our approach to giving and receiving gifts, entertainment or hospitality;
- we carry out appropriate monitoring to ensure that client interests are not abused; and
- we have procedures for specific disclosure to clients where all other reasonable steps to prevent or manage a particular conflict of interest have failed.

We monitor compliance with our Conflicts of Interest Policy and related procedures. Any significant issues identified as a result of this monitoring are reported to senior management and appropriate steps are taken to address them.