
Oriel Securities Limited

Conflict of Interest Policy

Introduction

Under the FSA's SYSC rules, we are required to take all reasonable steps to identify conflicts of interest between: (1) the firm, including its managers, employees and appointed representatives, or any person directly or indirectly linked to them by control, and a client of the firm; or (2) one client of the firm and another client. We also believe that we should identify any conflicts that may arise in other situations including between the firm and any of its shareholders. Where we owe a duty to such clients, we must maintain and operate arrangements to prevent any conflict from giving rise to a material risk of damage to the interests of our clients. We must also disclose the general nature of potential conflicts of interest to clients in a conflicts of interest policy. This is that policy.

Potential Conflicts of Interest

Oriel is involved in institutional stockbroking including, amongst other activities, corporate finance and capital markets activities, corporate broking, research and trading. We act both for entities that are seeking to raise money, and for investors in those entities. As a result the following conflicts may exist:

- We may trade with clients using positions which we hold on our own book.
- We may provide corporate finance or corporate broking advice to one client while also (i) acting for investors in that client or (ii) providing corporate finance or corporate broking advice to other clients who operate in the same industry sector.
- We may act for different institutional and corporate clients acquiring or disposing of the same security.
- We write and disseminate research on companies which may remunerate us to provide them with corporate finance or corporate broking advice.
- We may own a stake in a company where we also write research on that company.
- A company on which we write research may be a shareholder in Oriel Securities.
- We cannot guarantee that you will receive our research at the same time as our other clients.

Managing and Monitoring Conflicts

Oriel Securities may use information barriers (sometimes called "Chinese Walls") to ensure that, for example, information on corporate finance and capital markets activities is not available to employees who may be engaged in dealing activities with clients. Where we use such information barriers, we will also use management structures that support these restrictions on the flow of information. Where we operate Chinese Walls, we monitor to ensure that information does not flow from one side of the Chinese Wall to the other, unless a member of staff is deliberately being taken "across the wall", when they will sign an Insider Register and their subsequent activities will be supervised by someone from the corporate side of the Chinese Wall.

Where we have a proprietary holding in a company that we are also advising there will be a Chinese Wall between the person advising the corporate and the person with the proprietary holding on our behalf. The person advising the company will not be aware of our proprietary holding in the company.

We may act for clients who operate in the same sector. In general, we do not consider this to be a conflict unless, for example; (1) the clients are seeking to acquire the same resource (for example, are both bidding for another company in that sector), (2) where two clients in the same sector are carrying out fundraisings at the same time, or (3) where one client wishes to acquire another client. In these circumstances, we are likely to disclose that conflict of interest, or to decline to act for one or both parties depending on the circumstances of the conflict and after an internal independent review of the situation.

We may act for more than one client, and for ourselves, in trying to buy a particular asset. Where there is a scarcity in that asset, we will allocate it in accordance with a policy requiring us to take into account objective criteria when deciding how to allot the assets. Where we are acting for an issuer, and there is an excess of demand for an issue, our policy takes into account the views of the issuer in deciding how it wants to allot the issue.

Where we publish research on companies with which we have a corporate contractual relationship we make it clear that our views do not amount to independent research by labelling it “Connected” albeit that our research continues to be prepared independently and to the same standard as for our independent (or “Unconnected”) research. Our research is not investment research as defined in the FSA Rules. We also operate systems to prevent our employees from dealing in advance of the publication of our own research or for a certain period after such publication.

We operate a personal account (“PA”) dealing policy which requires all employees to have PA trades approved before dealing to ensure that dealing does not occur in securities in circumstances where such dealings should be restricted.

Where we release research we endeavour to distribute it to all clients at the same time to ensure that no clients receive our research substantially before any other clients.

We generally do not permit our employees to take part in activities for different business lines (for example acting in both research and corporate finance roles) where that may prevent us from properly managing any conflicts of interest as a result.

Our management is aware of the importance of taking conflicts of interest into account when developing our business. Any significant issues concerning conflicts are reviewed at board level by senior independent management.

Where we do not consider that structural methods of conflict management such as those outlined above are sufficient to manage a conflict, we may choose to disclose specific conflicts to clients and to ask for their informed consent to continue to act notwithstanding the existence of any such conflict. We have specific detailed procedures in place to identify any potential conflicts when taking on new clients or when existing clients wish to instruct us on specific transactions.

Review

We will review this Conflicts of Interest Policy at least annually, and where appropriate, on an ad hoc basis, to ensure it adequately reflects the types of conflicts that may arise, and how we manage those conflicts.

Further information

Further information on these conflict management methods is available from the Compliance Officer at Oriel Securities.