

Marex Spectron Group Conflict of Interests Policy

Application

This policy applies to FSA regulated companies in the Marex Spectron Group (“the Group”) and to all Group members of staff.

The FSA requires the Group to establish, maintain and implement an effective, written conflicts of interest policy appropriate to our size and organisation and the nature, scale and complexity of our business.

This document is not intended to, and does not, create third party rights or duties that would not already exist if this document had not been published, nor does it form part of any contract between the Group and any client.

Introduction

Under this policy the Group seeks to minimize conflicts and potential conflicts of interest and, if conflicts do arise, to manage them fairly and in the best legitimate interest of our clients.

The Board has charged the Audit and Compliance Committee with responsibility for ensuring that our conflicts of interest policy is current, complies with regulations and is understood by all relevant staff;

The Group has developed processes and procedures under this policy, and in accordance with FSA requirements, to:

- (a) take reasonable steps to identify conflicts of interest between the Group and a client of the Group, or between one client and another;
- (b) keep and regularly update a record of the kinds of services or activities the Group carries on in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or may arise;
- (c) maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of the Group’s clients.

“The Group” includes managers, employees and appointed representatives and “a client” includes potential and actual customers, eligible counterparties and clients of appointed representatives.

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Circumstances giving rise to a conflict of interest

Practices, situations or circumstances which, if not appropriately mitigated and managed, have the potential to give rise to a conflict of interest include, but are not limited to, the following examples:

- (a) Where a member of staff has an outside business interest;
- (b) Where a member of staff has a close family relationship with a client;
- (c) Where gifts or financial inducements (other than normal commission or mark-up) are involved;
- (d) Personal account dealing;
- (e) Where the Group or a member of staff has any interest in the outcome of a service or transaction for a client which is distinct from the client's interest in that outcome;
- (f) Discretionary trading;
- (g) Unclear charges or commissions;
- (h) Where the Group is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- (i) Errors;
- (j) Where there is a financial or other incentive to favour the interests of one client over the interests of another client;
- (k) Proprietary trading based on confidential or client transactional information;
- (l) Complaints; and
- (m) has a relationship with a client that has interests in a transaction that may be in conflict with the interests of another client;

Mitigation and management

If conflicts are not properly identified, mitigated and managed, the Group could lose revenue, suffer reputational damage and be subjected to legal or regulatory action.

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The Group maintains and operates organisational and administrative procedures to prevent or mitigate conflicts of interest including:

1. *Conflicts Map*

The Group maintains a conflicts map that clearly identifies where potential conflicts may arise, the parties to such potential conflicts and how these potential conflicts are being addressed. The Audit and Compliance Committee is responsible for ensuring the map accurately reflects the business carried on by the Group.

2. *Conflicts register*

The Group maintains a conflicts register for members of staff to log particular potential conflicts to which they may be subject.

3. *Principles of Conduct*

The Group has adopted Principles of Conduct which apply to all members of staff. These Principles require the Group and its staff to put clients' legitimate interests first.

4. *Outside Business Interests*

Group members of staff are prohibited from having external business interests that may conflict with the Group's interests or those of our clients. All external business interests must be notified to the Group Compliance department.

5. *Close Family relationships*

Group members of staff must notify close family relationships with clients to the Group Compliance department.

6. *Gifts and entertainment*

The Group has Anti-Bribery and Corruption procedures, which include gifts and entertainment policies, applying to all members of staff. Details are provided to all members of staff upon commencement of employment.

7. *Personal Account Dealing Notice*

The Group has own account dealing rules which apply to all members of staff. Details of the rules are contained in a Personal Account Dealing Notice provided to all members of staff upon commencement of employment. Certain own account dealing is prohibited and certain dealing is only permitted with the prior permission of the Group Compliance department.

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8. *Independence Policy*

Where the Group has an interest, arrangement or relationship which may be considered likely to influence any exercise of discretion by the Group in the course of dealings or the provision of other services for or on behalf of a client in a manner which is material to the client, the Group is required to disregard that interest, arrangement or relationship.

Among other things, this means that those charged with undertaking proprietary transactions on behalf of the Group must execute customer orders prior to proprietary orders and furthermore, disregard any information relating to client orders when executing proprietary orders. Similarly, any member of staff charged with executing client orders or providing other services to clients must disregard knowledge they have about other clients when executing orders for or providing a service to the first client.

9. *Errors*

The Group has procedures in place for the management of all trading errors to comply with FSA rules and relevant exchange requirements.

10. *Confidential Information*

The Group has procedures applying to all members of staff addressing the use of confidential information. Members of staff are prohibited from disclosing confidential information and from using such information for their own interests.

11. *Complaints*

The Group has complaints handling procedures to ensure the expeditious and fair handling of any client complaints received by the Group. Details of the procedures are available to all members of staff in the Compliance manual.

12. *Information Barriers*

Where appropriate, the Group imposes information barriers (or “chinese walls”) to prevent the unauthorized flow of confidential information from one part of Group to another part of the Group. Information barriers are intended to prevent conflicts of interest by limiting access to certain types of confidential information.

13. *Whistleblowing*

A Public Interest Disclosure Policy (“whistleblowing”) is in place for members of staff of the Group. Details of the policy are available to all Staff in the Compliance manual.

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14. *Training*

The Group provides training to members of staff on conflicts of interest and our procedures for managing conflicts of interest.

Disclosure

Where a conflict of interest arises in circumstances where the Group's arrangements for managing conflicts of interest are insufficient to ensure the prevention of risk of damage to a client's interests, we will clearly disclose the general nature and/or the sources of the conflict of interest to the client.

Reviewing Conflicts of Interest Management

The Group will periodically review and update our conflicts of interest policy, processes and procedures.

Further Information

Questions or requests for further information relating to this policy should be addressed to the Marex Spectron Group Compliance department.