

The background of the document is a black and white photograph of a white fabric with a dark, wavy pattern, possibly a rug or a piece of art. The pattern consists of thick, dark, wavy lines that create a sense of depth and texture. The lighting is dramatic, with strong highlights and deep shadows.

Marex Spectron Group
Conflicts of Interest Policy 2018

MAREX SPECTRON GROUP CONFLICTS OF INTEREST POLICY

APPLICATION

This policy applies to FCA regulated companies in the Marex Spectron Group (the "Group") and to all Group members of staff.

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

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

The FCA 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.

Under our 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 is accountable for the effective and prudent management of the Group, including segregation of duties within the Group and the prevention of conflicts of interest.

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

- Take reasonable steps to identify conflicts of interest between the Group and a client of the Group, or between one client and another;
- 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; and
- Maintain and operate effective organisational and administrative arrangements with a view to taking all appropriate steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interest of the Group's clients.

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, including, but not limited to, the following examples:

- Where a member of staff has an outside business interest;
- Where a member of staff has a close family relationship with a client;
- Where gifts or financial inducements (other than normal commission or mark-up) are involved;

- Personal account dealing;
- 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;
- Discretionary trading;
- Unclear charges or commissions;
- Where the Group is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- Errors;
- Where there is a financial or other incentive to favour the interests of one client over the interests of another client;
- Proprietary trading based on confidential or client transactional information;
- Complaints; and
- Where the Group or a member of staff 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 PROCEDURES

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.

The Group maintains and operates organisational and administrative procedures to prevent or mitigate conflicts of interest including the below measures.

a. Conflicts Map

The Group maintains a Conflicts Map that identifies where potential conflicts of interest may arise within the Group, the parties to such potential conflicts and how these potential conflicts are being addressed. Each identified conflict is assigned a level of risk.

b. Conflicts Register

All members of staff are required to immediately notify the Group Compliance department of all actual conflicts or potential conflicts to which they are personally subject. This would include, for example, outside business interests, having a close family relationship with a client, any general trading discretion over a client's account or any other personal situations or circumstances which could give rise to a conflict of interest or the appearance of a conflict of interest.

The Group Compliance department maintains a Conflicts Register to log such conflicts of interest and will determine and advise applicable mitigating circumstances and/or actions the Group might take. Any member of staff that is in any doubt as to whether a personal situation or circumstance may give rise to a conflict of interest, should discuss it in confidence with the Group Compliance department.

c. 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. Details can be found in the UK Group Compliance Manual.

d. Outside business Interests

Members of staff are prohibited from having external business interests, such as directorships or material shareholdings in private companies, which may conflict with the Group's interests or those of our clients.

All external business interests must be notified in writing to the Group Compliance department.

e. Close family relationships

Members of staff must notify the Group Compliance department of any close family relationships with any clients of the Group.

f. Gifts and entertainment

The Group has in place Anti-Bribery and Corruption procedures, which include a Gifts and Entertainment policy. Details can be found in the UK Financial Crime Guide.

g. Personal Account Dealing Notice ("PADN")

Members of staff are subject to the Group's own account dealing rules. Certain own account dealing is prohibited and certain dealing is only permitted with prior permission. Details can be found in the UK Group Compliance Manual.

h. Independence Policy

Where a member of staff is aware that 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 member of staff 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 client orders prior to proprietary orders and furthermore, disregard any information they may be aware of 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.

i. Errors

The Group has procedures in place for the management of all trading errors to comply with FCA rules and relevant exchange requirements. These procedures can be found in the UK Group Compliance Manual.

j. Confidential Information

The Group has procedures in place to address the handling of confidential information. Members of staff are prohibited from disclosing confidential information and from using such information for their own interests. These procedures can be found in the UK Group Compliance Manual.

k. Information Barriers / Access to information

Where appropriate, the Group imposes information barriers (or "Chinese walls") to prevent the unauthorised 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.

The Group operates a "clean desk" policy in order to minimize the risk of accidentally disseminating confidential client information. Members of staff are asked to ensure that when their desk is unattended, client related correspondence and information is not left on the desk so that it is visible and computers are either switched off or locked.

Access to computer drives and to files located within drives should be restricted by the use of passwords and user IDs.

Where confidential information is to be disposed of, the secure shredding units located in the office should be used.

l. Complaints

The Group has complaints handling procedures to ensure the expeditious and fair handling of any client complaints received by the Group, which are set out in the UK Group Compliance Manual.

m. Whistleblowing

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

n. 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 our arrangements for managing conflicts of interest are insufficient to ensure the prevention of risk of damage to a client's interests, we must disclose the general nature and/or the sources of the conflict of interest to the client, in a durable medium.

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.