

---

# M D Barnard & Co Ltd

## Conflicts of Interest Policy

---

*M D Barnard & Co Ltd is authorised and regulated by the Financial Conduct Authority (“FCA”) and this document has been compiled to comply with the FCA rules and requirements. This document is the property of M D Barnard & Co Ltd and its contents are strictly confidential and should not be disseminated outside of the Firm. Any personal copies of this document must be returned to M D Barnard & Co Ltd upon termination of employment.*

## Table of Contents

---

<b>INTRODUCTION</b>	<b>3</b>
<b>CONFLICTS OF INTEREST</b>	<b>4</b>
<b>THE GUIDING PRINCIPLES</b>	<b>4</b>
<b>OVERVIEW</b>	<b>4</b>
<b>OBLIGATIONS IN RESPECT OF MANAGEMENT OF CONFLICTS OF INTEREST</b>	<b>4</b>
<b>SENIOR MANAGEMENT RESPONSIBILITIES</b>	<b>5</b>
<b>MANAGEMENT INFORMATION</b>	<b>6</b>
<b>CRITERIA FOR THE IDENTIFICATION OF ACTUAL OR POTENTIAL AREAS OF CONFLICT</b>	<b>6</b>
<b>DISCLOSURE</b>	<b>6</b>
<b>RECORD-KEEPING</b>	<b>7</b>
<b>MANAGEMENT OF CONFLICTS OF INTEREST</b>	<b>7</b>
<b>AREAS OF POTENTIAL CONFLICTS OF INTEREST</b>	<b>8</b>
<b>MONITORING POTENTIAL CONFLICT OF INTEREST SITUATIONS</b>	<b>9</b>
<b>APPENDIX A</b>	<b>10</b>
<b>INDUCEMENTS</b>	<b>10</b>
<b>APPENDIX B</b>	<b>12</b>
<b>SERVICE ON BOARDS OF DIRECTORS AND OUTSIDE ACTIVITIES</b>	<b>12</b>
<b>APPENDIX C</b>	<b>13</b>
<b>REMUNERATION ARRANGEMENTS</b>	<b>13</b>

## INTRODUCTION

---

This Policy on Conflicts of Interest is important and must be read, understood and followed by M D Barnard & Co Ltd's directors and employees at all times. The Policy is intended to set out the minimum standards of propriety that M D Barnard & Co Ltd ('MD Barnard' or 'the Firm') expects from its directors and employees. Every director and employee of the Firm is required, as a condition of their continued employment by the Firm to read, understand and comply with this Policy of Independence. Violations will lead to disciplinary sanctions including possible termination of employment.

Each of MD Barnard's directors and employees is an agent of the Firm and, as such, is obligated to act for and in the best interests of the Firm and its clients. Certain personal activities or interests of a director or employee may have some connection with MD Barnard's activities or interests but involve little or no conflicts of interest (for example charitable or civic activities). Certain interests or activities of directors and employees may involve a significant actual or potential conflict with the interests or activities of the Firm and/or its clients or may give the appearance of conflict though no actual or potential conflict exists. Each director and employee must be alert to such conflicts of interest. He/she should scrupulously examine and avoid any activity or situation in which personal behaviour directly or indirectly conflict with the interests of the Firm or its clients. Such behaviour typically, but not exclusively, arises when it involves the use of knowledge acquired in conducting MD Barnard's business or from relationships with MD Barnard's clients or others.

One of the principal areas of potential conflict of interests is in the use of confidential information. Clients conduct business with the Firm with the expectation that all information and data provided by them or related to their business they conduct with MD Barnard will be maintained in absolute confidence. For this reason, all information concerning the business of the Firm's clients and their transactions must be treated as absolutely confidential and must be confined, even within MD Barnard, only to those who must have such information in order for the Firm to carry out its business properly and effectively. The fact that rumours may be circulating, even if they are accurate, does not mean that the Firm's confidential information has become public information and does not relieve MD Barnard or its directors and employees of the ongoing obligation to treat the information as confidential.

No director or employee is permitted to benefit or allow another person to benefit (directly or indirectly, financially or otherwise) from knowledge of confidential information whether related to financial decisions, investment evaluation systems, strategies or methods, investment decisions, investment positions, in-house research or otherwise. This prohibition extends to the directors' and employees' relatives, friends and business contacts as well as Relevant Persons as defined in the rules of the FCA and any Appointed Representatives or Tied Agents of MD Barnard.

MD Barnard's directors and employees must ensure that they take particular care not to discuss confidential information with, or in the presence of, unauthorised persons, whether from within or outside the Firm.

Each of the Firm's directors and employees shall hold in a fiduciary capacity for the benefit of MD Barnard all information, knowledge and data relating to or concerned with its operations, business and affairs. He or she shall not, at any time, use, disclose or divulge any such information, knowledge or data to any person or corporate body other than MD Barnard and authorised persons within the Firm, except as may be legitimately required in connection with the business and affairs of the Firm.

## CONFLICTS OF INTEREST

---

### THE GUIDING PRINCIPLES

---

- This document consolidates MD Barnard’s procedures and controls for identifying, managing, recording and (where necessary) disclosing interest. The objective is to provide all personnel with clear guidelines for compliance with MD Barnard’s internal regulations and those of the Financial Conduct Authority (‘FCA’).
- The definition of a Conflict of Interest is any action that is likely to disadvantage a client’s interest against that of MD Barnard or to disadvantage one client’s interest against that of another client.
- The FCA rules require that firms, in the first instance, have in place arrangements to manage conflicts. Where such arrangements are not sufficient to ensure with reasonable confidence that the risk of damage to clients’ interests will be prevented, a firm is required to disclose a potential conflict to its client before undertaking business with that client.
- The FCA Principles that are particularly relevant to Conflicts of Interest are:
  - *Principle 1* – A firm must conduct its business with integrity.
  - *Principle 6* – A firm must pay due regard to the interests of its customers and treat them fairly;
  - *Principle 8* – A firm must manage conflicts of interest, both between itself and its customers and between a customer and another client.

### OVERVIEW

---

- The FCA Handbook implements the conflicts of interest requirements and the relevant rules are located in the Senior Management Arrangements, Systems and Controls (“SYSC”) found in the High-Level Standards module of the FCA Handbook. All capitalised terms refer to the FCA definitions.
- Firms are required to take all appropriate steps to identify, manage, record, prevent and, where necessary disclosing conflicts of interests between the Firm, including its managers, employees, appointed representatives or any person directly or indirectly linked to them by control, and its clients as well as between one client and another, and have in place a written policy in respect of conflicts of interest.
- The Rules apply to all client types (i.e. Retail Client, Professional Client and Eligible Counterparty) where the Firm provides a service and where such conflicts could have a detrimental effect on clients.
- Where a firm is a member of a group, it must also consider where conflicts of interest may arise as a consequence of the group structure or business activities of other group companies.
- A firm’s obligations in respect of conflicts of interest apply on a home state basis.

### OBLIGATIONS IN RESPECT OF MANAGEMENT OF CONFLICTS OF INTEREST

---

- MD Barnard is required to take all appropriate steps to identify conflicts of interest between:
  - itself, including its managers, employees and appointed representatives or tied agents or any person directly or indirectly linked to them by control, and a client of the firm, or
- one client of the firm and another client that arise in the course of the Firm providing services to its clients in the course of carrying on regulated activities or ancillary activities or providing ancillary services. MD Barnard has a policy of applying the same standards for identification, prevention or managing, of conflicts across all of its business lines,

irrespective of whether or not the particular business line is a regulated activity. In order to fulfil its obligation to ‘take all appropriate steps’ the Firm will consider:

- the level of risk that such a conflict may constitute or give rise to a material risk of damage to a client/clients’ interests;
- the nature, scale and complexity of its business; and
- nature and range of products and services offered in the course of its business.
- MD Barnard will maintain and operate effective organisational and administrative arrangements so as to ensure it takes all appropriate steps to prevent conflicts of interest from adversely affecting the interests of its clients.

## SENIOR MANAGEMENT RESPONSIBILITIES

---

- The responsibility for the management of Conflicts of Interest rests with MD Barnard’s Senior Management. MD Barnard Senior Management shall therefore ensure that they are kept fully aware of the FCA requirements in respect of Conflicts of Interest and are able to identify and prevent or manage any Conflicts of Interest or potential Conflicts of Interest. They must be able to assess objectively any conflicts or potential conflicts and be aware of the steps that need to be taken to mitigate any such conflicts in respect of both their business and personal responsibilities.
- MD Barnard Senior Management is responsible for ensuring that MD Barnard’s systems and controls are robust and sufficient to determine that MD Barnard is taking all appropriate steps to identify and prevent or manage any conflicts of interest that may arise. MD Barnard Senior Management will ensure that they receive sufficient Management Information to enable them to carry out an informed assessment of the Firm’s arrangements in order to assess that they are operating effectively. In practice, this requires MD Barnard’s Senior Management to:
  - be involved in the identification and management of areas where conflicts of interest may arise;
  - regularly review MD Barnard’s risks of conflicts of interest arising and the mitigating arrangements in place. This will involve an inclusive review of the entire business activities of the Firm and, where appropriate, will include the relevant activities of any group companies.
  - put in place a Conflicts of Interest Policy and a register of any conflicts as required under the rules of the FCA
  - review the Conflicts of Interest Policy and the register of conflicts on a regular basis and, at a minimum, on an annual basis.
  - on an annual basis, all Directors and staff must formally confirm his or her record of potential conflicts of interest by completing a Conflicts of Interest attestation.
  - assess and review on an ongoing basis situations that could potentially give rise to Conflicts of Interest. For example, whether the firm’s organisational structure is likely to incentivise behaviour that may lead to conflicts (remuneration, bonuses, appraisal, management/control arrangements that reward or potentially reward behaviour that disadvantages the interests of one client in favour of the Firm or another client)
  - put in place processes so that the Senior Management is able to identify any new conflicts of interest that may arise, for example as a result of new business or new product initiatives.

## MANAGEMENT INFORMATION

---

- The provision of relevant, timely and accurate management information in order to assist senior management in controlling conflict of interest issues follows a well-defined process which has been established for all compliance matters in the Firm.
- Management information is derived in the first instance from the Firm's compliance department's monitoring processes. The Compliance Department conducts a series of tests each month, weighted as to frequency based on the perceived compliance risk. The results of the compliance monitoring programme are documented as part of MD Barnard's *Risk Assessment process*, which is regularly reviewed by Senior Management.
- In addition, the heads of each department of the Firm are required to respond to the findings of the *compliance monitoring programme*.
- Remedial action is undertaken by the senior management of the Compliance Department so as to ensure that systemic or repeated failures in established procedures are addressed. Senior Management is responsible for ensuring that the heads of each department or section as appropriate are aware of their duty to manage and control potential conflicts of interest and to ensure that departmental procedures are followed.
- When reviewing new business, product initiatives or proposals, MD Barnard Senior Management must ensure that any evaluation includes consideration and identification of any areas of conflicts with the Firm's existing business activity. Where conflicts of interest are identified, before proceeding with the new business or product MD Barnard Senior Management will ensure that mitigating arrangements have been put in place to manage such conflicts. If the Firm is not able to put in place adequate mitigating arrangements the Firm will either decide not to proceed with the new business or product or alternatively make the necessary disclosures to its clients in accordance with Section 7 below.

## CRITERIA FOR THE IDENTIFICATION OF ACTUAL OR POTENTIAL AREAS OF CONFLICT

---

- As required by *SYSC 10.1.4R*, in our process for the identification of conflicts, MD Barnard considers whether the Firm or a Relevant Person or a person directly or indirectly linked by control to the firm:
  - is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
  - has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
  - has a financial or other incentive to favour the interest of one Client or group of Clients over the interests of another Client;
  - carries on the same business as the Client; or
  - receives or will receive from a Person other than the Client an inducement in relation to a service provided to the Client, in the form of monies, goods or services, other than the standard commission or fee for that service.

## DISCLOSURE

---

- MD Barnard has a policy of identifying and either managing or preventing a conflict of interest. If, having identified a conflict of interest, MD Barnard's senior management concludes that MD Barnard cannot prevent risks of damage to the interest of a client, MD Barnard will only proceed following the resolution of MD Barnard's senior management to do so. Such a decision to proceed will be very much the exception and will only be made once a proper consideration of the matter has been undertaken by MD Barnard's senior management.

- Should MD Barnard's senior management resolve to proceed it will ensure that MD Barnard complies with its disclosure obligations.
- MD Barnard will ensure that the disclosure that it makes to the client(s) affected will be in a durable medium and complies with the following standards and that the following will be clearly disclosed:
  - the general nature and sources of the conflict of interest
  - the steps taken by MD Barnard to mitigate the risks of damage to the interests of the client
  - the fact that the organisational and administrative arrangements established by MD Barnard to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of the client will be prevented
  - a specific description of the conflicts of interest
  - an explanation of the risks to the client that arise as a result of the conflicts of interest
  - the disclosure will include sufficient detail to enable the client to take an informed decision with respect to the service to be provided by MD Barnard in which the conflict of interest arises
- MD Barnard understands and accepts that:
  - disclosing a conflict of interest is not a form of managing that conflict of interest
  - disclosure should only be used as a measure of last resort over reliance on disclosure without adequate consideration as to how conflicts may appropriately be managed is not permitted
  - even where it has made a disclosure, MD Barnard will continue to maintain and operate effective organisational and administrative arrangements to take all appropriate steps to prevent conflicts of interest from adversely affecting the interests of clients

## RECORD-KEEPING

---

- MD Barnard maintains a record of any circumstances in which a conflict of interest may arise or has arisen as a result of its activities of which this Policy forms the basis. Any conflicts that may arise during the course of business will be logged by employees on the My Disclosures area of the C.O.R.E platform for review by the Compliance Officer. These records will be maintained and updated on a regular basis and will be retained for a minimum period of 5 years.

## MANAGEMENT OF CONFLICTS OF INTEREST

---

- The Senior Management of MD Barnard has undertaken a review to identify the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients in respect of the specific services and activities carried out by or on behalf of MD Barnard.
- In order to protect the interests of its clients, MD Barnard has put in place the procedures and policies that are to be followed and the measures to be taken by the Firm, its employees, agents, etc. to manage such conflicts. The details of these policies and procedures are set out in this document.
- The policies and procedures have been designed so that Relevant Persons conduct their activities at a level of independence appropriate to the size and activities of the Firm and if applicable to the Group and to ensure that the Firm has taken all appropriate steps to protect the interests of its Clients.

- If any of the Firm's procedures do not provide the necessary level of independence, the Firm will put in place alternative or additional measures and procedures as are necessary and appropriate.
- MD Barnard will decline to act in a matter where it considers that it cannot prevent a material risk of damage to the interests of one or more clients.
- The separate supervision of persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of MD Barnard.
- MD Barnard will ensure that its compensation arrangements will not give rise to conflicts of interest between the firm, its employees and its clients. MD Barnard will implement measures to prevent or limit MD Barnard's directors and employees at all times any person from exercising inappropriate influence over the way in which a MD Barnard carries out investment or ancillary services or activities.
- MD Barnard will implement measures to prevent or control the simultaneous or sequential involvement of MD Barnard's directors and employees in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.
- The MD Barnard will ensure that all directors and employees receive training in respect of the MD Barnard's procedures for identifying, managing and escalating conflicts. All MD Barnard's directors and employees are made fully aware of the Firm's *Conflicts of Interest Policy* and of their responsibilities to ensure that customers are treated fairly.
- MD Barnard will review this Conflicts of Interest Policy frequently, and at least annually.
- MD Barnard's Senior Management will frequently, and at least annually, receive written reports on services or activities giving rise to detrimental conflict of interest and review the Conflicts of Interest Register and satisfy itself that it accurately records all the kinds of service or activity carried on by MD Barnard in which a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise.

## AREAS OF POTENTIAL CONFLICTS OF INTEREST

---

- MD Barnard has identified the following circumstances in which conflicts of interest may arise. Details of the arrangements MD Barnard has put in place to prevent conflicts of interest arising are set out below or in the relevant Appendix.
- MD Barnard has established the following procedures to prevent the possibility of any conflict of interest arising in the circumstances listed above. Each control procedure is cross referenced to the potential conflict circumstance and expanded upon in the relevant Appendix where necessary.
- Under its senior management system and control arrangements, the Firm ensures the separate supervision of Relevant Persons whose principal functions involve carrying out activities on behalf of, or providing services to, Clients where the interests of such Relevant Persons may conflict, or who otherwise represent different interests that may conflict, including those of the Firm;
- The Firm has put in place measures to prevent or limit any Person from exercising inappropriate influence over the way in which a Relevant Person carries out services or activities. These measures are detailed, for example, in our, *Inducements Policy* and *Gifts and Entertainment Policy*.
- The Firm's *Order Execution Policy* addresses the arrangements, where MD Barnard acting as agent for the client, matches an order of the client with that of another client for which the Firm is acting as agent.

- The Firm has implemented a *Gifts and Entertainment Policy* (which includes non-monetary benefits) so as to verify that no benefits are received that may influence the behaviour of its personnel.
- The Firm's arrangements to manage conflicts that may arise through service on Company Boards and other Outside Activities of its employees and directors are detailed in *Appendix C*.
- Conflicts of interest may arise in connection with Personal Transactions by Firm employees, agents and relevant persons. These issues are addressed in the Firm's *Personal Account Dealing Policy*.

## MONITORING POTENTIAL CONFLICT OF INTEREST SITUATIONS

---

- MD Barnard follows the following procedures for monitoring compliance with the FCA's rules and guidance on conflicts of interest.
- MD Barnard documents its policies in this regard, both in general terms in the *Compliance Manual* and this Policy and its appendices which contain the Firm's supplementary policies. These documents are circulated to all the Firm's employees.
- The Compliance Department through its *Compliance Monitoring Programme* conducts various tests which, inter alia, contain elements of conflicts monitoring. These will include:
  - Review of fees, commission and non-monetary benefits received or paid by the Firm including review of Gifts & Entertainment records
  - Review of trading against the Firm's *Order Execution Policy* to ensure compliance with the Firm's arrangements detailed in this Policy including the Firm's *Allocation and Aggregation Policy*.
- The Compliance Department maintains the C.O.R.E platform, which all employees must report any potential Conflicts of Interest. The Register of Conflicts of Interest records any instances of where a Conflict of Interest has occurred and the remedial action taken.
- Details of the findings from the *Compliance Monitoring Programme* are provided on a regular basis to the Firm's Senior Management.

## APPENDIX A

---

### INDUCEMENTS

---

MD Barnard has a policy of not paying or accepting from any party (other than the client or a person on behalf of the client) any fee or commission in connection with the provision of an investment service or ancillary service.

MD Barnard has a policy of not providing to, or receiving from, any party (other than the client or a person on behalf of the client) any non-monetary benefit in connection with the provision of an investment service or ancillary service, unless it is an acceptable minor non-monetary benefit which complies with the standards below.

An acceptable minor non-monetary benefit is one which is:

- disclosed (including in a generic way) prior to the provision of the relevant service to the client
- capable of enhancing the quality of service provided to the client
- of a scale and nature that it could not be judged to impair the MD Barnard's compliance with its duty to act honestly, fairly and professionally in the best interests of the client
- reasonable, proportionate and of a scale that is unlikely to influence the MD Barnard's behaviour in any way that is detrimental to the interests of the relevant client

and which consists of:

- information or documentation relating to a financial instrument or an investment service, that is generic in nature or personalised to reflect the circumstances of an individual client; or
- written material from a third party that is commissioned and paid for by a corporate issuer or potential issuer to promote a new issuance by the company, or where the third-party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any firms wishing to receive it, or to the general public;
- participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;
- hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned above

MD Barnard regards a non-monetary benefit is designed to enhance the quality of the relevant service to a client only if:

- it is justified by the provision of an additional or higher-level service to the client and is proportional to the level of inducements received;
- it does not directly benefit MD Barnard, its shareholders or employees without tangible benefit to the client;
- it is justified by the provision of an ongoing benefit to the client in relation to an ongoing inducement; and
- the provision of the service by MD Barnard to the client is not biased or distorted as a result of the fee, commission or non-monetary benefit.

MD Barnard regards a non-monetary benefit that involves a third party allocating valuable resources to MD Barnard is not a minor non-monetary benefit and accordingly is considered to impair compliance with MD Barnard's duty to act in the client's best interest. MD Barnard will not provide or receive such a benefit.

MD Barnard-substantive material or services consisting of short term market commentary on the latest economic statistics or company results or information on upcoming releases or events which are provided by a third party and which:

- contain only a brief unsubstantiated summary of the third party's own opinion on the information; and
- do not include any substantive analysis (e.g. where the third party simply reiterates a view based on an existing recommendation or substantive research),

can be deemed to be information relating to a financial instrument or investment service of a scale and nature such that it constitutes an acceptable minor non-monetary benefit.

MD Barnard regularly reviews and monitors all fees and non-monetary benefits that are paid, received or provided to or by third parties to ensure that they comply with MD Barnard's policy and meet the FCA requirements and, in particular, that where necessary customers are provided essential terms of such arrangements in sufficient detail to enable the customer to tie in the disclosure to the services provided to the client and to take a decision as to whether to request further/full information regarding the matter. The information provided will detail the existence, nature and amount of the fee or benefit or, where the amount cannot be ascertained, the method of calculating that amount.

## APPENDIX B

---

### SERVICE ON BOARDS OF DIRECTORS AND OUTSIDE ACTIVITIES

---

Service on boards of directors of outside companies, as well as other outside activities generally, could lead to potential conflicts of interest and insider trading problems, and may otherwise interfere with your duties to the Firm. Accordingly, MD Barnard's personnel may not serve as a director of an outside company (or in a similar role for an unincorporated entity) without prior approval from MD Barnard's Governing Body.

If you desire to serve as a director of an outside company, you must notify Nicola Mitchell using the My Disclosures area of the C.O.R.E platform before accepting the position. In addition, if service as an outside director is approved and unless otherwise agreed by Senior Management in a particular case, you must pay, assign or transfer to MD Barnard all compensation and other financial benefits related to or arising out of such service in recognition of the reduction of your business and professional time that would otherwise be devoted to MD Barnard. Any employee serving as a director of a public company (or a private company that is about to go public) may be required to resign or comply with other controls as may be appropriate.

All new hires must:

- promptly disclose any pre-existing board memberships to Nicola Mitchell,
- obtain approval from MD Barnard's Governing Body if they wish to continue such membership, and
- comply with any conditions placed on them to control or eliminate potential conflicts of interest. The foregoing restrictions do not apply to service on the board of a charitable organization or the board of another group company.

With respect to other outside activities:

- You may not be employed by, or accept any form of compensation from, any other person as a result of any business activity (including consulting engagements, paid positions with governmental or charitable organizations and part-time, at-home ventures such as multi-level marketing programs or freelance software development) outside the scope of your relationship with MD Barnard, without the prior written approval of a Senior Manager.
- You may not raise money or participate in the raising of money for any company, individual or other business venture, except with respect to charitable or educational organizations, without the prior written approval of a Senior Manager.
- You may not form or participate in any stockholders' or creditors' committee, except as part of your responsibilities to the Firm, without the prior written approval of a Managing Director.

A copy of any such written approval should be forwarded to Nicola Mitchell.

## APPENDIX C

---

### REMUNERATION ARRANGEMENTS

---

MD Barnard has in place a *Remuneration Policy* which sets out the Firm's arrangements to ensure that its compensation arrangements will not give rise to conflicts of interest between the firm, its employees and its clients.