

Collins Stewart Hawkpoint – External Conflicts Policy

Collins Stewart Hawkpoint plc incorporates the regulated businesses of Collins Stewart Europe Limited, Hawkpoint Partners Limited, Collins Stewart 360 Limited and Collins Stewart Investment Management Limited in the United Kingdom and a number of regulated overseas subsidiaries. For the purposes of this policy, all references to Collins Stewart Hawkpoint (as defined below) shall mean (and include) all such UK regulated entities as the case may be.

1.1 Fair treatment of clients

The Collins Stewart Hawkpoint plc group (“**Collins Stewart Hawkpoint**” or “**CSH**”) conducts its business according to the principle that it will manage conflicts of interest fairly, both between (i) itself and its clients, and (ii) between one client and another.

1.2 What is a conflict of interest?

A conflict of interest occurs when an investment services firm such as Collins Stewart Hawkpoint carries out activities, either for a client or for its own account, which may conflict, or appear to conflict, with the interests of another client, or group of clients, if those activities are not appropriately organised and controlled.

Examples of possible conflicts are given in **paragraph 1.6** below.

1.3 Systems and controls to manage conflicts of interest

As an integrated, multi-services group which has offices in various world-wide locations, Collins Stewart Hawkpoint faces actual and potential conflicts of interest from time to time. Collins Stewart Hawkpoint has therefore, put in place appropriate procedures, systems and controls to identify, prevent (where possible) and manage conflicts of interest. The following list identifies high-level measures used to combat conflicts of interest:

- 1.3.1 each division of Collins Stewart Hawkpoint has separate procedures which are contained within their division specific procedural documents;
- 1.3.2 Chinese walls are in place, as necessary, between the divisions to restrict the contact between different business areas and restrict information flows;
- 1.3.3 Insider Lists are kept and closely monitored;
- 1.3.4 all Collins Stewart Hawkpoint employees must declare their “Outside Business Interests”;
- 1.3.5 personal account dealing policies and procedures are in place;
- 1.3.6 gifts and entertainment policies and procedures are in place; and
- 1.3.7 an IT system is used to identify and manage conflicts (including potential conflicts) in relation to client work. For example, a conflict clearance procedure is performed for CSH Corporate Broking, Hawkpoint Partners Limited and CSH Investment Trust Teams and ad hoc transactions to existing CSH group clients. The conflict clearance procedure involves automated checking of various client and Work in Progress lists maintained by Collins Stewart Hawkpoint Central Compliance.

In addition, the Collins Stewart Hawkpoint group has:

- 1.3.8 a formal anti-corruption policy which prohibits all forms of bribery and corruption (whether direct or indirect) within the Collins Stewart Hawkpoint group; and
- 1.3.9 mandatory, documented, whistling blowing requirements.

All Collins Stewart Hawkpoint staff are required to observe and comply with these policies and procedures which are necessarily connected to, and form part of, the Collins Stewart Hawkpoint policy for the control and management of conflicts of interest.

1.4 Identifying conflicts

Collins Stewart Hawkpoint is required to take all reasonable steps to identify conflicts of interest within the firm, between its clients, and between the interests of different clients.

Employees are expected to recognise and escalate to Collins Stewart Hawkpoint Compliance any conflicts of interest. Equally, employees must not put themselves in a position in which their personal interests, financial or otherwise, might influence or give the appearance of influencing any action taken, judgment made, or advice given on behalf of CSH.

In order to assist staff in relation to the aforementioned, CSH regularly provides staff training with regards to the identification and management of conflicts.

1.5 What happens if a conflict of interest is identified?

As outlined above, Collins Stewart Hawkpoint's first priority is to identify potential conflicts of interest inherent in the group's business model and wherever possible, prevent them, or put in place, reasonable steps to mitigate them.

In the event that a conflict of interest cannot be prevented, it will be managed. The management of conflicts of interest is the responsibility of the Collins Stewart Hawkpoint Compliance team in consultation with the Collins Stewart Hawkpoint CEO, COO, Group Finance Director and Chairman of Hawkpoint Partners Limited.

1.6 Examples of conflicts of interest

The following are some non-exhaustive examples of the type of interest, relationship, or arrangement that could create actual or potential conflicts of interests. CSH:

- 1.6.1 being the financial adviser or broker to the company (i.e. (i) acting as corporate broker to a client whose securities third party clients are buying or selling via the CSH Securities division and/or (ii) acting for that company in any takeover bid by or for it and having a holding or a dealing position in the security);
- 1.6.2 engaging in business and trading activities for the firm's own account and/or client accounts, whilst other clients are active in relevant markets or otherwise interested at the same time (questions of front running, dealing ahead etc.);
- 1.6.3 providing investment advice or discretionary portfolio management services to clients and recommending or selling products issued by the firm or its associates (CSH Wealth Management Division and its own funds (UCITS));
- 1.6.4 providing investment research in relation to an entity or group to which it is also financial adviser or broker (CSH Securities and CSH Corporate Broking divisions); and/or
- 1.6.5 matching one client's transaction with that of another client by acting on behalf of both clients. This includes CSH Securities, from time to time, acting as a market maker in the investments that are the subject of a transaction with clients.

1.7 Further information

If you would like further information about our conflicts management policies and procedures, please contact the Collins Stewart Hawkpoint Compliance department (cocompliance@collinsstewart.com).