

SCHEDULE 2

Panmure Gordon (UK) Limited

Conflicts Of Interest Policy

December 2017

When managing and dealing with a conflict of interest Panmure Gordon (UK) Limited ("Panmure Gordon" or "we") will comply with the rules of the FCA and any other regulatory authority along with the rules of the relevant market.

We are required to disclose the circumstances which constitute or may give rise to a conflict entailing a risk of damage to the interests of one or more clients. The disclosure of a conflict of interest to a client will only be used where the effective organisational and administrative arrangements established by us to prevent or manage conflicts of interests are not sufficient to ensure, with reasonable confidence, the risks of damage to the interests of the client will be prevented. This document sets out the types of conflict of interest relevant to clients of Panmure Gordon. It also covers Panmure Gordon's means of preventing or managing those conflicts.

We are required to manage conflicts of interest fairly. Therefore, we maintain procedures that are designed to prevent any conflict of interest from giving rise to a material risk of damage to the interests of our clients.

1. DEFINITIONS

- 1.1 For purposes of this policy, conflicts of interest are defined as conflicts of interest that arise, or may arise, in the course of providing a service and whose existence may entail a material risk of damage to the interest of a client and, as a minimum,
- (a) from which Panmure Gordon is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
 - (b) in which Panmure Gordon has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client, which is distinct from the client's interest in the outcome;
 - (c) where Panmure Gordon has a financial or other incentive to favour the interest of a client or group of clients over the interest of another client;
 - (d) where Panmure Gordon carries on the same businesses as a client; or
 - (e) where Panmure Gordon receives or will receive from a person other than a client an inducement in relation to a service provided to that client, in the form of monies, goods or services, other than the standard commission or fee for that service.
- 1.2 We carry on corporate finance, trading, and other investment banking business. There are a number of potential conflicts of interest that exist within Panmure Gordon because we act for companies that are seeking to raise money, investors who wish to invest in those companies, and on our own behalf. In order to enable our clients to understand the nature of the conflicts that may be relevant to Panmure Gordon, we set out below a number of examples of key potential conflicts of interest, and explain the method by which we manage such conflicts.
- 1.3 References to "Panmure Gordon" and "we" in a description of a potential conflict set out below includes third parties with whom we may act on your behalf.

2. **SPECIFIC CONFLICTS**

- 2.1 We may provide integrated execution, clearing, settlement and custody services to a number of financial services organisations and these therefore may have potentially competing client interests.
- 2.2 We may hold positions and/or provide transactional related services for more than one client and such clients may have competing objectives in relation to a position or transaction.
- 2.3 We may enter into a transaction in relation to which we have, indirectly or directly, a material interest or relationship. A material interest includes any benefit, profit, charge, commission or other remuneration made or received by us as a result of that transaction.
- 2.4 We may combine orders received from one client with those received for the accounts of other clients (and exceptionally may combine with our own orders). Such aggregation may operate on some occasions to a client's advantage and on some occasions to their disadvantage. Where orders have been aggregated, they may be allocated out to clients on a pro-rata, or otherwise fair, basis.
- 2.5 We may pass orders to an affiliated company for execution. This will, however, be done in accordance with our Order Execution Policy.
- 2.6 Where we exercise a right to vote in relation to a corporate action, we will do so in accordance with clients' instructions and these may reflect competing interests.
- 2.7 We may place money held on behalf of clients and/or their underlying clients with a bank (in accordance with the relevant regulatory requirements) and earn and retain interest payments from such bank.
- 2.8 We may have other business relationships with a company in relation to whose securities you are entering into a transaction.
- 2.9 We may issue research on a company, which will represent our analyst's assessment of the prospects of that company. Our analysts may have certain travel etc. expenses paid by the company to enable them to conduct their assessments. We may also act as corporate finance advisor to, or offer funding to, that company, or deal in the shares of that company.

3. **ARRANGEMENTS TO PREVENT OR MANAGE CONFLICTS**

- 3.1 Panmure Gordon 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. As a result, the information provided to you in relation to the services we provide will only come from the particular employees on one side of the information barrier who are dealing with your affairs at that time. No information from the respective employees on the other side of the information barrier will be made available to you. Further, none of our employees may disclose to any client, or act upon, any confidential information belonging to any other client of Panmure Gordon even if that information is of concern to other clients.
- 3.2 Where we use information barriers, we will also use management structures that support these restrictions on the flow of information. In addition we monitor these arrangements to ensure that information does not flow from one side of the information barrier 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 information barrier.

- 3.3 In the context of a transaction that we have executed for you, we will disclose to you any charges that are payable to us by you.
- 3.4 Where we have a proprietary holding in a company that we are also advising there will be an information barrier 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.
- 3.5 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.
- 3.6 We have measures to prevent or limit any person from exercising any inappropriate influence over the way in which an employee carries out their activities.
- 3.7 In certain circumstances there may be a conflict of interest that prevents us from acting for you in a particular transaction. In such cases we may not be able to disclose to you why we cannot act because to do so would be a breach of confidentiality.
- 3.8 Separate supervision of employees 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 Panmure Gordon.
- 3.9 We remunerate and supervise employees in a manner designed to manage potential conflicts of interest.
- 3.10 When faced with certain types of conflict, our senior management may be asked to determine the best way for us to act so as to manage the potential conflict.
- 3.11 The terms of this Conflicts Policy and the accompanying Terms of Business set out the extent of Panmure Gordon's responsibilities in respect to conflicts of interest. Panmure Gordon is not subject to any fiduciary or equitable duties that prevent it from acting in a dual capacity or that require it to accept more extensive responsibilities.

4. **ARRANGEMENTS TO PREVENT OR MANAGE CONFLICTS IN RELATION TO RESEARCH**

- 4.1 Panmure Gordon's investment research is prepared and published impartially and independently from any conflicts of interests which may arise as a result of the Firm's activities, including sales and trading, investment banking and private equity.
- 4.2 Panmure Gordon prohibit from offering or accepting an inducement or improper influence with regard to the publication, timing or content of the Firm's research.
- 4.3 All personal account dealings, external business interests and material business-related gifts require Compliance approval.
- 4.4 Chinese walls are in place to prevent sensitive information from being passed between different business areas of Panmure Gordon. There is a physical separation between the research department and Corporate Finance/Corporate Broking with access controlled by electronic card-key.
- 4.5 Research analysts may be brought over the Chinese wall for specific reasons with the prior approval of Compliance.
- 4.6 Panmure Gordon's Corporate Finance employees may hold discussions with research analysts to discuss public information and views, subject to Compliance approval, but neither may disclose confidential, non-public information to the other.

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- 4.7 Panmure Gordon's research analysts may provide ideas to sales or trading staff, subject to the prohibition on dealing ahead of research. Knowingly dealing ahead of research, whether for an employee's personal account, a client account or the firm's market making book, is prohibited.
- 4.8 We do not permit any research or communication regarding an analyst's future recommendations, forecasts or price targets from being provided prior to its publication to the firm's clients or to anyone inside or outside the firm.
- 4.9 We ensure that research is published and communicated simultaneously both internally and to the firm's investment clients. Distribution is undertaken impartially and without advantage or disadvantage to any specific client or group of clients. Panmure Gordon's research is not distributed to or intended for the use of Retail clients.
5. **FURTHER INFORMATION**
- 5.1 If you have any questions please address them to your usual Panmure Gordon contact.