



Axis Capital Markets Ltd
Conflicts of Interest Policy

1 Purpose

This policy details how Axis Capital Markets Ltd (the Firm) will identify, prevent and manage conflicts of interest in respect of its business activities.

The Firm is authorised by the Financial Conduct Authority (FCA) and, as such, will act in accordance to the Conflicts of Interest rules as defined in the FCA Handbook, which will take precedence over the requirements of this policy.

2 Review of Policy

This policy will be reviewed regularly, at least once a year, and amended as considered necessary by the Firm's Management Body in the event of changing circumstances or regulations.

3 Responsibilities

The CEO of the Firm is responsible for ensuring that its systems, controls and procedures are able to identify, manage and control or prevent any potential and actual conflicts of interest that may arise.

4 Definition

A conflict of interest is a situation in which someone in a position of trust to the client has competing professional or personal interests. Such competing interests can make it difficult for individuals to fulfil their duties to their clients impartially. A conflict of interest may exist even if no unethical or improper act results from it.

Conflicts of interest arise when in the course of providing a service to a client, the Firm, or its employees:

- Are likely make a financial gain or avoid a loss at the expense of the client
- Have an interest in the outcome of the service provided which is distinct from the client's interest
- Have a financial or other incentive to favour the interests of another client over the interests of the client
- Carry on the same business as the client
- Receive, from a person other than the client, an inducement in relation to the service provided to the client, other than the standard commission or fee for that service

5 Identifying, managing and preventing conflicts of interest

The Firm has reviewed its business model and has identified the following potential conflicts of interest:

- Employee Roles and Responsibilities
 - Management of Employees
 - Remuneration
 - Business interests
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- Connected persons
- Inducements including Gifts and Hospitality
- Personal account dealing
- Customer orders versus firm business or other customers orders
- Handling confidential and insider information flows

The Firm will regularly review its business model to ensure any new potential conflicts of interest are noted and managed or prevented effectively.

5.1 Employee Roles & Responsibilities

The Firm maintains a clear segregation of roles and responsibilities within the Management Body to maintain an effective control environment and to avoid conflicts of interest in roles wherever possible.

5.2 Supervision and Management of Staff

Employees involved in carrying out activities or providing services to clients will have a different management reporting line to employees carrying out activities or providing services to other clients who have different, potentially conflicting interests or activities for the Firm itself.

Employees will receive training on understanding their obligations in this area.

5.3 Remuneration

The remuneration of staff will be assessed annually in accordance with the Firm's Remuneration Policy and appraisal process and usually consists of a base salary and performance related variable compensation. The Firm strives to ensure our employees remain motivated whilst at the same time ensuring that this remuneration scheme does not encourage inappropriate behaviour. In order to prevent a conflict of interest, the remuneration of employees is not directly linked to sales and the remuneration structure takes into account a number of different factors including a good standard of compliance. The Firm's Remuneration Policy is in place and will be adhered to.

5.4 Business Interests

The Firm recognises that our current and future employees may have an interest, relationship or arrangement whereby they act as a trustee, hold power of attorney or have a Directorship that may potentially create a conflict of interest. The Firm requires its employees to declare any such interests and will take the appropriate steps to manage or prevent any conflicts of interest that are identified. To manage such conflicts, the Firm requires its employees to disclose Directorships and interests in other companies and to disregard the interest, relationships or arrangements concerned when acting on behalf of clients.

5.5 Connected Persons

The Firm is aware of its duty to avoid a conflict of interest arising where an employee has an indirect interest through a connected person (e.g. adult child or spouse). Relevant employees are required to disclose any potential conflicts of interest through connected persons. To manage such conflicts the Firm requires its employees to disclose the interests and to disregard the interest when acting on behalf of clients. A register of these interests will be kept and will be updated regularly.

5.6 Inducements including Gifts and Hospitality

The Firm has a strict policy, which specifically prohibits employees from soliciting or accepting any inducements to conduct business in a specific manner that would give rise to a detriment to a client or to favour the interests of one client over another.

The Firm recognises that Gifts and Hospitality can lead to potential conflicts of interest. Employees are not permitted to accept, or give to, any person any gift or other benefit that cannot properly be regarded as justifiable in all circumstances or may give rise to the perception that in doing so, decisions may be influenced or may not be impartial. All employees are expected to act with the highest standards of integrity to avoid any allegations of conflicts of interests.

The Firm requires any employee who is offered any kind of gift or payment over an agreed limit from either inside or outside the Firm to report this to the Firm's Nominated Officer for recording on the Gifts & Hospitality Register. In addition, any indications of expectation of support following a gift or hospitality of any value should be reported to the Nominated Officer.

The Nominated Officer will regularly review the Gifts & Hospitality Register to identify any conflicts of interest that may be occurring.

The Firm's Gifts and Hospitality Policy contains further information and the agreed value limits set by the Management Body.

5.7 Personal Account Dealing Procedures

The Firm recognises that employees dealing on their own personal account may present conflicts of interests. The Firm is an execution only STP broker; it also deals as agent for its clients. In order to manage actual or potential conflicts that may arise from personal account dealing, the Firm has Personal Account Dealing Procedures in place.

5.8 Customer Orders

The Firm's Order Execution Policy requires employees to take all reasonable steps to achieve the best overall trading result for clients; to exercise consistent standards; and operate the same processes across all markets, clients and financial instruments in which it operates.

The Firm's Client Order Handling Policy explains how the Firm will handle client orders in relation to other clients' orders and its own trading interests.

There may be occasions when clients' orders may have a material effect on a relevant price. In order to ensure that a broker does not take advantage of the situation by dealing on his/her own account or encouraging a third party to deal, the Firm has a strict "no front running" policy.

In order to ensure a fair and orderly dealing environment within the market, the Firm requires its employees to comply with its Market Conduct Policy, as well as the relevant FCA Rules, which aim to prevent insider trading, the misuse of information and market manipulation.

5.9 Handling confidential & inside information flows

The Firm regularly receives handles and generate large amounts of confidential and inside information. In order to ensure that in no circumstances the clients' interests are damaged and/or create adversely affected the Firm has designed and implemented adequate systems and controls to prevent the misuse of this information.

5.9.1 Insider List

The Firm has drawn and maintain a list of all persons who have access to inside information including those that have been made insider whereas not in the course of their employment and persons providing services to the Firm.

It has also drawn and maintains a list of all financial instruments/transactions the Firm know or ought to know to be inside information and any other it considers to be relevant to prevent and manage existing or potential Conflict of Interest.

The list is maintained and regularly updated by Compliance and is communicated to the Firm management body as appropriate.

5.9.2 Need-to-know principle

Need-to-know principle is a frequently used principle in the financial industry that includes the obligation for staff to only share confidential and inside information where certain criteria are met to (i) mitigate the risks of market abuse and inside dealing, (ii) prevent or manage appropriately conflicts of interest and (iii) preserve clients interest and personal data.

Where sharing such data/information all staff have to ensure that:

- The disclosure of confidential and inside information shall be accompanied by the imposition of confidentiality requirements on to whom the disclosure is made; and
- The disclosure is reasonable and shall enable the person to perform the proper functions of his/her employment, profession or duties; or
- The disclosure is reasonable, including for the purpose of facilitating any commercial, financial or investment transaction.

5.9.3 Information barriers

The Firm has implemented strict information barriers or "Chinese walls". They may be tangible such as physical separation between different business lines (including desks located in different rooms) or

intangible where accesses to specific files/data are controlled and accessible to only designated staff or granted on case by case basis by senior management and/or Compliance for a determine period of time.

6 Recording conflicts of interest

The Firm will record all conflicts of interest that arise, or may arise, on the Conflicts of Interest Register (Annex 1). It will be updated on a regular basis. The register will include the way the Firm prevents or manages the conflicts and the person responsible. The Register will be organised by business lines, services or activities carried out.

The Conflicts of Interest Register will be provided to the Management body for review at least annually.

7 Disclosure or declining to act

For conflicts of interest that the Firm cannot manage or prevent, the Firm will either inform the client or decline to act for the client.

7.1 Disclosure

As a last resort, where there is no other means of managing the conflict or where the measures in place do not, in the view of the Firm, sufficiently protect the interests of clients, the conflict of interest will be disclosed to clients, to enable an informed decision to be made by the client as to whether they wish to continue doing business with the Firm in that particular situation. The Firm must disclose to the client the general nature or sources of conflicts of interest and the steps taken to mitigate those risks. The disclosures will be recorded on the Conflicts of Interest Disclosure Register.

The disclosure will be in writing and will include:

- A statement that the arrangement in place by the Firm are not sufficient to ensure that the risk of damage to the interests of the client will be prevented
- A description of the specific conflict of interest taking into account the nature of the client or group of client to whom the disclosure is made
- An explanation of the general nature and sources of the conflicts of interest, the risks to the client that arise as a result of the conflict of interest and the steps undertaken to mitigate those risks
- Sufficient detail to enable the client to make an informed decision as to whether to proceed or not.

7.2 Declining to Act

Where the Firm considers that it is not able to manage the conflict of interest in any other way, it may decline to act for a client.