

RFC Ambrian Limited High Level Policy for Managing Conflicts of Interest

Department:	Compliance	Reference number:	
Issued by:	Andrew Fountain	Date issued:	November 2007
Approved by:	RFC Ambrian Ltd	Date reviewed:	April 2013, March 2012
		Date approved:	3 November 2012

1. SUMMARY

RFC Ambrian Limited ("RFCA, RFC Ambrian, "the Firm"), as a multi-product financial services and trading group, will inevitably find itself in situations where the interests of one client may compete with (i) those of another client; or (ii) the interests of the Firm and/or its employees. In common with many financial institutions, RFC Ambrian has appropriate arrangements in place to identify and manage the conflicts which may arise during the normal course of its business activities.

This document summarises, at a high level, RFC Ambrian's approach to identifying and managing conflicts of interest and has been prepared in accordance with the requirements imposed upon the Firm by the Markets in Financial Instruments Directive ("MiFID"). It is for information purposes only and does not seek to provide detailed descriptions of the Firm's internal processes and procedures in relation to the identification and management of conflicts of interest.

2. WHAT ARE CONFLICTS OF INTEREST?

There are a number of instances where a conflict of interest may arise during the course of business activities. Typically, a conflict is deemed to exist in a situation where the interest of a client could be adversely affected. The main types of conflict of interest fall into one or more of the following situations.

2.1 BETWEEN FIRM AND CLIENT.

Situations where the interests of firms conflict with those of clients. RFC Ambrian operates information barriers to prevent the flow of confidential client information to other departments which could use the information to the advantage of the Firm. Such barriers – commonly known as Chinese Walls – are designed to segregate the private side confidential advisory activities that RFC Ambrian provides from its public side research and sales activities.

2.2 BETWEEN TWO OR MORE CLIENTS.

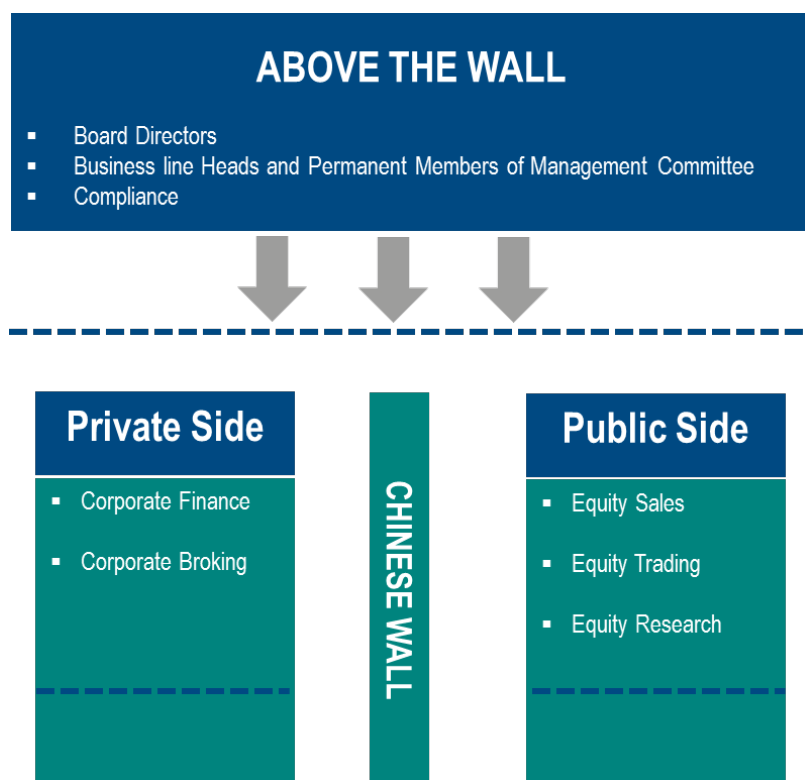
Situations where the interests of a client conflict with those of other clients. The Firm has implemented a conflict clearance system to ensure that conflicts between two or more clients, for example where clients are competing for the same target, are identified at the initial stages of the transaction, and are effectively managed.

2.3 BETWEEN FIRM AND EMPLOYEE.

Situations where the interests of employees conflict with the interests of a client or the firm. The Firm has detailed inducements and personal account dealing policies to discourage employees from being incentivised to act in such a way that conflicts with the interests of the Firm or the client.

The Chinese walls structure in place at RFC Ambrian can be illustrated by the following diagram:

RFC AMBRIAN'S CHINESE WALLS STRUCTURE



Research and Market Commentary is produced in accordance with the RFC Ambrian Research policy. As a small firm RFC Ambrian is not able to meet all of the FCA requirements for managing conflicts of interest such that its research can be regarded as an impartial or objective assessment of the value or prospects of its subject matter. Nevertheless we will always ensure that our research output remains clear, fair and not misleading. The RFC Ambrian Research policies detail the measures that the firm has put in place to mitigate the potential conflicts relating to the publishing and distribution of research

3. IDENTIFICATION OF CONFLICTS OF INTEREST

The Firm has taken reasonable steps to ensure that circumstances which give rise to a conflict of interest and may pose a material risk of damage to the interests of its clients are identified, managed and documented. The identification process consists of the following:

- Periodic review of the Firm's business activities. This is focussed on identifying potential conflicts of interests that may arise in each business line; and
- Specific transactions and client relationships. Potential and existing conflicts are identified in the early stages of a transaction or a client relationship.

The Firm has an ongoing management reporting process for potential and existing conflicts of interest. Senior management of each business area and all employees of the Firm are responsible for ensuring that both perceived and actual conflicts are reported in a timely manner. As part of the conflicts identification process, the Firm will maintain and regularly update a record of the conflicts it has identified.

4. CONFLICT MANAGEMENT ARRANGEMENTS

The Firm is committed to maintaining and operating effective organisational and administrative arrangements to manage the conflicts of interest it has identified. It also undertakes ongoing monitoring of business activities to ensure that internal controls are effective. The following are examples of measures and controls that are adopted by the Firm in order to manage conflicts of interests:

4.1 INTERNAL CONFLICTS OF INTEREST PROCEDURES

These procedures set out internal guidelines in relation to the identification and management of conflicts for employees to follow.

4.2 PERSONAL ACCOUNT DEALING POLICY

This restricts employees from trading for their personal accounts or other accounts where they hold an interest.

4.3 RESEARCH POLICY

This provides detailed guidelines in relation to the production and dissemination of research materials.

4.4 INDUCEMENTS POLICY

This regulates the receipt and offer of gifts and inducements by the Firm's employees such that the Firm's integrity is not compromised.

4.5 INFORMATION BARRIERS

These are operated by the Firm in order to control and restrict the movement of confidential information and include physical separation, electronic segregation, and wall crossing procedures.

4.6 ESCALATION PROCEDURES

These aim to ensure the timely reporting of any issues to senior management.

4.7 SUPERVISION AND REMUNERATION

The supervision and remuneration of employees engaged in one activity is separate to other employees engaged in a different activity, where joint supervision or linked remuneration may lead to a conflict of interest.

4.8 TRAINING

Training is provided to employees to ensure that they are aware of their responsibilities and obligations.

Where RFC Ambrian does not deem, with reasonable confidence, its organisational arrangements to be sufficient to prevent the risk of damage to a client, it will endeavour to disclose the general nature and/or source of the conflict of interest to the client – seeking its permission to proceed. In exceptional cases, the Firm may decline to act.

This document is not intended to, and does not, create third party rights or duties that would not already exist if the document had not been made available, nor does it form part of any contract between the Firm and any client.