

Marex Spectron Europe Limited
OTF Conflicts of Interest Policy 2019

1. DEFINITIONS

1.1. In this Conflicts of Interest policy:

“Client” means a Client of MSEL OTF admitted in accordance with Rule 3 of the OTF Rulebook who is able to submit orders to the MSEL OTF and whose admission has not been terminated;

“Group Compliance Department” means the Marex Spectron Group Compliance department, inclusive of the MSEL Head of Compliance;

“MSEL” means Marex Spectron Europe Limited;

“MSEL OTF” means the Organised Trading Facility operated by MSEL;

“MSEL OTF Management” means the management team of the MSEL OTF;

“OTF Rulebook” means the OTF Rulebook issued by MSEL setting out the rules and procedures relevant to accessing and trading on MSEL OTF; and

“Policy” means this conflicts of interest policy and the information contained herein.

2. APPLICATION AND SCOPE

2.1. This Policy applies to Clients of the MSEL OTF, MSEL as operator of the MSEL OTF and to all MSEL staff.

2.2. The procedures set out in the Policy seek to minimize conflicts and potential conflicts of interest from occurring in the course of business on the MSEL OTF. Where a conflict or potential conflict of interest does arise, MSEL will manage it fairly and in the best legitimate interests of Clients.

2.3. MSEL OTF Management is responsible for ensuring that this Policy is current, complies with regulations and is understood by all relevant staff.

3. INTRODUCTION

3.1. A conflict of interest can arise where an individual or organisation has conflicting responsibilities to the parties involved or desires different outcomes for those parties.

3.2. A conflict of interest, if not appropriately mitigated and managed, has the potential to place the interests of an individual or organisation ahead of that of another.

3.3. MSEL has developed processes and procedures under this policy, and in accordance with MiFID II requirements, to:

- Take reasonable steps to identify conflicts of interest between the Group and a Client, or between one Client and another;
- Keep and regularly update a record of the kinds of services or activities the Group carries on in which a conflict of interest entailing a material risk of damage to the interests of one or more Clients has arisen or may arise; and

- Maintain and operate effective organisational and administrative arrangements with a view to taking all appropriate steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interest of a Client.

4. CIRCUMSTANCES GIVING RISE TO A CONFLICT OF INTEREST

4.1. Practices, situations or circumstances which, if not appropriately mitigated and managed, have the potential to give rise to a conflict of interest on the MSEL OTF. This includes, but is not limited to:

- Where a member of MSEL staff has an outside business interest;
- Where a member of MSEL staff has a close family relationship with a Client;
- Where gifts or financial inducements (other than normal commission or mark-up) are involved;
- Personal account dealing;
- Unclear charges or commissions;
- Errors; and
- Complaints.

4.2. The discretion MSEL brokers have on the OTF also has the potential to give rise to conflicts of interest. This includes but is not limited to:

- Where MSEL favours the interests of one Client over the interests of another Client.
- Where MSEL or a member of staff has an interest in any transactions that may be in conflict with the interests of a Client.

5. MITIGATION AND MANAGEMENT PROCEDURES

5.1. Organisational and administrative procedures are in place at a Group level to prevent or mitigate potential conflicts of interest. This includes the below measures.

a. Conflicts map

5.2. The Group maintains a Conflicts Map that identifies where potential conflicts of interest may arise within the Group, the parties to such potential conflicts and how these potential conflicts are being addressed. Each identified conflict is assigned a level of risk.

b. Conflicts register

5.3. All members of staff are required to immediately notify the Group Compliance department of all conflicts or potential conflicts to they are personally subject. This would include, for example, outside business interests, having a close family relationship with a Client or any other personal situations or circumstances which could give rise to a conflict of interest or the appearance of a conflict of interest.

5.4. The Group Compliance department maintains a Conflicts Register to log such potential conflicts of interest and will determine and advise applicable mitigating circumstances and/or actions the Group might take. Any member of staff that is in any doubt as to whether a personal situation or circumstance may give rise to a conflict of interest, should discuss it with the Group Compliance department.

c. Principles of conduct

5.5. The Group has adopted Principles of Conduct which apply to all members of staff. These Principles require the Group and its staff to put Clients' legitimate interests first.

d. Outside business Interests

5.6. Members of staff are prohibited from having external business interests, such as directorships or material shareholdings in private companies, which may conflict with the Group's interests or those of Clients.

5.7. All external business interests must be notified in writing to the Group Compliance department.

e. Close family relationships

5.8. Members of staff must notify the Group Compliance department of any close family relationships with any Clients.

f. Gifts and entertainment

5.9. The Group has in place Anti-Bribery and Corruption procedures, which include a Gifts and Entertainment policy.

g. Personal Account Dealing Notice ("PADN")

5.10. Members of staff are subject to the Group's own account dealing rules. Certain own account dealing is prohibited and certain dealing is only permitted with prior permission.

h. Independence Policy

5.11. Where a member of staff is aware that MSEL or any other Group company has an interest, arrangement or relationship which may be considered likely to influence any exercise of discretion by it in the provision of services on or through the MSEL OTF for or on behalf of a Client in a manner which is material to a Client, the member of staff is required to disregard that interest, arrangement or relationship.

i. Errors

5.12. The Group has procedures in place for the management of all trading errors to on the MSEL OTF.

j. Confidential Information

5.13. The Group has procedures in place to address the handling of confidential information. Members of staff are prohibited from disclosing confidential information and from using such information for their own interests.

k. Information Barriers / Access to information

- 5.14. Where appropriate, the Group imposes information barriers (or “Chinese walls”) to prevent the unauthorised flow of confidential information from one part of Group to another part of the Group. Information barriers are intended to prevent conflicts of interest by limiting access to certain types of confidential information.
- 5.15. The Group operates a “clean desk” policy in order to minimize the risk of accidentally disseminating confidential Client information. Members of staff are asked to ensure that when their desk is unattended, Client related correspondence and information is not left on the desk so that it is visible and computers are either switched off or locked.
- 5.16. Access to computer drives and to files located within drives should be restricted by the use of passwords and user IDs.
- 5.17. Where confidential information is to be disposed of, the secure shredding units located in the office should be used.

l. Complaints

- 5.18. The Group has complaints handling procedures to ensure the expeditious and fair handling of any Client complaints received by the Group.

m. Whistleblowing

- 5.19. A Public Interest Disclosure Policy (“whistleblowing”) is in place for members of staff of the Group.

n. Training

- 5.20. The Group provides training to members of staff on conflicts of interest and our procedures for managing conflicts of interest.

6. DISCLOSURE

- 6.1. Where a conflict of interest arises in circumstances where our arrangements for managing conflicts of interest are insufficient to mitigate risks arising from it, MSEL OTF Management will disclose in a durable medium, the general nature and/or the sources of the conflict of interest to the relevant Clients.
- 6.2. Should a Client become aware of a conflict or potential conflict of interest relating to the OTF, the Client is required to notify MSEL OTF Management.

7. FAILURE TO DISCLOSE AND BREACH OF THE POLICY

- 7.1. Failure by a Client to disclose a breach of the Policy may lead to the Client’s access to the OTF being suspended or terminated by MSEL OTF Management.

8. REVIEWING CONFLICTS OF INTEREST MANAGEMENT

- 8.1. The Policy is periodically reviewed by the Group Compliance department.

9. FURTHER INFORMATION

- 9.1. Questions or requests for further information relating to the Policy should be addressed to the Marex Spectron Group Compliance department.