



CONFLICT OF INTEREST POLICY

1. INTRODUCTION

- 1.1 This Policy is issued pursuant to, and in compliance with, EU Directive 2004/39/EC of 21 April 2004 on Markets in Financial Instruments (as amended) ("MiFID") and the rules of the Financial Services Authority implementing MiFID in the UK (the "FSA Rules") that apply to Saxo Capital Markets UK Ltd. ("SCML").
- 1.2 This Policy is a supplement to SCML's overall general obligation to act with integrity and fairness, both towards its clients and its counterparties.
- 1.3 SCML is committed to professionally managing potential conflicts of interest which may arise between its constituent businesses.
- 1.4 SCML reserves the right to amend or supplement this Policy at any time.

2. IDENTIFICATION AND GENERAL DISCLOSURE OF THE NATURE OF POTENTIAL CONFLICTS OF INTEREST AND OF THEIR SOURCES

- 2.1 SCML hereby identifies and discloses a range of circumstances which may give rise to a conflict of interest and potentially, but not necessarily, may be detrimental to the interests of one or more clients. Such a conflict of interest may arise if SCML, or any person directly or indirectly controlled by SCML or a client, is likely to make a financial gain, or avoid a financial loss, at the expense of a client.
- 2.2 SCML has identified the following circumstances which may give rise to a conflict of interest:
 - A. SCML may have an interest in maximizing trading volumes in order to increase its commission revenue, which is inconsistent with the client's personal objective of minimising transaction costs;
 - B. SCML may pay inducements to a third party for the referral of new clients where the amount of remuneration received by the third party is based on the fees earned from the clients.
 - C. SCML and its employees may misuse the information that is available or accessible due to the nature of the business or their job function to make financial gain or avoid financial loss to the detriment of the clients.

3 MANAGING CONFLICTS OF INTEREST

SCML maintains processes, procedures and organisational arrangements to manage possible conflicts of interest which include the following:

- A. All employees are bound by the Gift and Hospitality Policy which does not allow the employee to solicit or accept any gift or inducement which may influence their independence or create a conflict with the duty owed to SCML or the clients;
- B. All employees are bound by professional secrecy and access to confidential information is only permitted if essential for performing a job function;
- C. All employees are at all times bound to act in full compliance with its procedures;
- D. All employees receive instructions and guidance regarding managing of conflicts of interest;
- E. All employees are bound by the Personal Account Dealing policy and transactions undertaken by employees are actively monitored;
- F. All employees are disallowed from engaging in other external business interests unless granted prior consent by the senior management;
- G. SCML is not permitted to undertake proprietary trading on own account;
- H. Continuous monitoring of the effectiveness of its policies and procedures for managing conflicts of interest.

4 DISCLOSURE OF CONFLICTS OF INTEREST

If the measures in place are not sufficient to avoid or manage a conflict of interest relating to a client, SCML will disclose the conflict of interest before undertaking further business with the client.