

Redburn Group Summary of Conflicts of Interest Policy March 2020

1. Introduction

We are required to maintain a Conflicts of Interest Policy under the rules of the Financial Conduct Authority and by Article 34 of Commission Delegated Regulation (EU) 2017/565. We are also required by Article 47.1(h) to publish a summary of that Policy. This is that summary.

Redburn (Europe) Limited ("REL") and its subsidiary, Redburn (USA) LLC ("RUS") are independent agency stockbrokers specialising in European equities and research thereon. REL has another subsidiary, Redburn (France) SA, an entity that is currently dormant.

In December 2019, Rothschild & Co Continuation Limited ("Rothschild & Co.") made a significant minority investment in REL of c25% and formed a Strategic Partnership. REL's other shareholders are primarily existing and former employees of the Group, none of whom owns more than 10% of the equity.

REL's main business is to provide research and execution services to professional and institutional investors. REL undertakes execution on a delivery versus payment basis; it does not undertake proprietary trading and does not participate in derivative transactions.

As part of the Strategic Partnership with Rothschild & Co, they will receive our research. This does not have a detrimental impact on our main business. REL may also carry out other work including bespoke research, where we are commissioned to produce research for Rothschild & Co. This bespoke work may be shared with their client(s). The conflicts arising from this are set out in 3.8 below.

As an offshoot of our research business, we also provide research to Private Equity and Professional Advisory firms, provided that, in any particular instance, this does not have a detrimental impact on our main business. Where this involves the sale of existing research, there are no additional conflicts. However, where we are commissioned to write bespoke research for such clients, the conflicts arising from this are set out in 3.9 below.

2. Conflicts of Interest

Typical conflicts of interest would involve situations where:

- our interests conflict with those of a client;
- the interests of one of our client's conflicts with those of another client; or
- the interests of one of our employees' conflicts with those of a client or with REL or RUS.

However, there cannot be a conflict of interest unless there is potential for a client to suffer some form of loss.

For the purposes of this policy, a client includes:

- existing clients of REL or RUS;
- potential clients where we are actively seeking to establish a business relationship; and
- former clients where we still have obligations of confidentiality.

3. Management of Conflicts

We maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of our clients. These cover:

3.1 PA Dealing

All employees require approval before executing transactions in listed securities for their own account and transactions in securities of companies covered by our research are not permitted. All purchases are subject to a minimum thirty-day holding period.

3.2 Gifts and Inducements

Employees are not permitted to accept any gifts or inducements (including hospitality) that might influence their impartiality.

3.3 Remuneration

We have a Remuneration Policy that complies with SYSC 19A of the FCA's Handbook. This includes a requirement to avoid conflicts of interest in our Remuneration Policy. The level of pay and bonuses are subject to many factors and this is overseen by our Remuneration Committee, which consists of a majority of non-executive directors.

3.4 External Activities

Employment or the acceptance of directorships outside the Group by our employees is subject to approval by Compliance, which will consult HR and relevant senior management as necessary in reaching a decision.

3.5 Alpha Capture Systems

Some of our staff, other than Analysts, contribute trade ideas to third-party Alpha Capture Systems. Such ideas are the sole responsibility of the individual and they may from time to time express a view contrary to that of our existing published research.

3.6 Separation of Analysts from Sales and Trading Staff

We do not normally physically separate our analysts from our sales and trading staff (see 3.8 and 3.9 below for exceptions) because:

- (a) we do not consider that there is an inherent conflict of interest between those groups and our relationship with our clients; and
- (b) we do not believe that such physical separation is appropriate given our size and organisation as well as the nature, scale and complexity of our business.

However, we have put in place various control procedures to ensure that research cannot be given to clients by our sales and trading staff ahead of its official publication.

3.7 Research Analysts

In addition to the conflicts above, there are additional potential conflicts relating to the work of research analysts (also see 3.8 and 3.9 below). We have adopted procedures to ensure that these are appropriately managed and do not compromise the integrity of our published research. The following points are particularly relevant:

- It is our general policy never to receive inside information concerning a listed company, since this restricts our ability to issue independent research as and when we wish. However, our analysts may occasionally be in possession of inside information and we have procedures to record this and the action we have taken to ring-fence the information. We will never knowingly disclose inside information to our clients.
- We never produce research that is intended firstly for our internal use for our own advantage and then for distribution to our clients.
- In the unlikely event that we have a material conflict of interest in relation to an investment which is the subject of or which is referred to in a research report, details of the conflict will be clearly disclosed in the report.

3.8 Research for Rothschild & Co. and their clients

Following the Strategic Partnership with Rothschild and Co., we may be commissioned to undertake bespoke research to Rothschild & Co and their client(s). In these circumstances, we take all necessary steps to maintain our independence and ensure that our main business is not affected by it, e.g. by the receipt of confidential or inside information that could preclude us from writing our normal research. If we later make such research generally available to our clients, there will be full disclosure of the circumstances of its production.

3.9 Research for Private Equity and Professional Services Firms

This is very much an ancillary business for us and we take all necessary steps to maintain our independence and ensure that our main business is not affected by it, similar to those set out in 3.8 above.

3.10 Order Handling

All orders for execution are handled in accordance with our published Order Execution Policy.

4. Disclosure

In the unlikely event that we are unable to satisfactorily manage a conflict, we shall disclose the conflict to the relevant client and allow it to make an informed decision as to whether to proceed with a proposed transaction or not.

5. Register

In accordance with FCA Rules, we maintain a record of conflicts and the actions taken to manage those conflicts.

Redburn (Europe) Limited
March 2020