
1. INTRODUCTION

This policy has been formed to outline Arjent Limited's active efforts in the acknowledgment of conflicts of interest, noting a strict adherence to the rules and regulations set out by the Market in Financial Instruments Directive (MiFID) and the Financial Services Authority (FSA) within SYSC10.

MiFID came into force on 1st November 2007, detailing organisational provisions for those firms which maintain a European focus for conflicts of interest. As a firm subject to MiFID, Arjent Limited is required to implement and maintain an effective conflict of interest policy appropriate to the size and organisation of the firm, as well as the nature, scale and complexity of business.

It is Arjent Limited's stance to make the conflicts of interest policy publicly available. The policy aims to take into account any circumstance which may give rise to a conflict of interest as a result of the structure and/or regulated business activity of company group members.

Conflict of interest scenarios may naturally arise where Arjent Limited, an Arjent Limited employee, or any other associate of the firm has a competing professional or personal interest, which may result in the theoretical prevention of services being provided to clients in an impartial manner.

Arjent Limited is committed to identifying, monitoring and managing all actual and potential conflicts of interest between the firm and its clients, as well as in situations where any person directly or indirectly associated with the firm has involvement. The firm observes its ultimate responsibility to take all reasonable steps to identify, prevent, disclose and record any conflicts of interest that are in place, or that may arise.

To support these efforts, Arjent Limited takes a best practice approach by incorporating the principles of effective corporate governance (noting that the firm's culture is a key mitigating tool), by encouraging senior management to engage in conflict identification and management, particularly within the business area for which they are responsible. It is an objective for all conflicts of interest to be treated consistently throughout the firm, with regular reviews performed across the installed mitigation methods.

This document provides information in relation to the manner in which Arjent Limited manages conflicts of interest. If you require any further information on the policy, please contact either Kalyan Ray, Arjent Limited Chief Executive Officer (CEO), or the firm's Compliance department.

2. OVERVIEW

Aligned with regulatory expectations, Arjent Limited heeds its ongoing duty to maintain effective conflict of interest arrangements. This preserves vigilance within the course of business, facilitating the identification of any potential or actual instance which may entail a material risk of damage to the interests of a client. The firm values the importance of effective management in identifying conflicts of interest, inline with the overarching regulatory efforts to maintain fair, orderly and efficient financial markets.

In the course of the provision of services to clients this may chiefly be between:

- Arjent Limited, including managers, employees and appointed representatives;
- Any person directly or indirectly linked to Arjent Limited and;
- Individual clients of Arjent Limited.

Arjent Limited will take into account whether the firm, relevant person(s) or person(s) directly or indirectly linked to the firm:

- Is likely to make a financial gain (or inversely, avoid a financial loss) at the expense of a client;
- Has an interest in the outcome of a transaction or service provided to a client;
- Has a financial or other incentive to favour the interest of any client over the interests of another client;
- Carries on the same business as the client; or
- Receives, or will receive from a person other than a client, an inducement in relation to a service provided to a client in the form of monies, goods or services, other than the standard commission or fee.

In accordance with FSA rules, Arjent Limited is prohibited from accepting a fee, commission or other non-monetary benefit which is likely to conflict with the duty the firm owes to any client.

Arjent Limited may receive non-monetary benefits from product providers or other third parties. Such benefits are typically of a modest nature and generally relate to the provision of literature, participation in seminars, training and hospitality. The provisions of such benefits are ultimately designed to enhance the quality of the services that we provide to our clients.

Arjent Limited, or any employee of the firm, may occasionally receive gifts in recognition of services provided. Care is taken to ensure that these gifts are of a modest and/or acceptable nature, without creating obligations, and details of any gifts over the value of £100 must be reported by the relevant person(s) to Compliance.

3. CONFLICT MANAGEMENT

As part of the obligations to manage conflicts, Arjent Limited maintains and operates effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of any of its clients.

Arjent Limited is responsible for ensuring that all systems, controls and procedures are robust, in order to identify and manage any conflicts of interest. In practice, this responsibility rests with senior management.

In addition, the firm will disclose the general nature of conflict sources against the interests of the client, and keep records of the services and activities performed where a conflict has arisen or may arise.

As an overarching business rule, Arjent Limited employees advise clients only on appropriate products to their circumstance and suitability, and all reasonable steps are taken to ensure fair treatment of each client.

In providing investment services to its clients, Arjent Limited must observe two fundamental principles:

- 1) That there is no disclosure to a client of any confidential information given to the firm by another client, and that the firm does not use such information for its own benefit or for the benefit of any other client, without the original client's informed consent.
- 2) Arjent Limited must act in the best interests of its clients at all times.

FSA rules do not impose any specific requirements on senior management in relation to the identification and management of conflicts of interest. Arjent Limited drives best practice within the firm, and in complying with the general SYSC requirements, senior management will:

- Be fully engaged in conflict identification and management;
- Consider the risk and mitigation of any conflicts of interest within the full range of business activities for which they are responsible;
- Have policies and procedures that aim to achieve a consistent treatment of conflicts of interest throughout their organisation; and
- Receive, and ensure, that management information is sufficient to assist them in controlling their business effectively.

It is of the utmost importance that any conflicts of interest are managed as effectively as possible and all matters should be brought to the attention of the Compliance Officer in the best possible timeframe. If it is decided that the matter qualifies as a new or potential conflict of interest, then measures will be put in place to manage these appropriately.

Arjent Limited's company policies are formed with the aim of limiting the possibility of conflicts of interest arising between employees, officers and agents of the firm and the firm's clients. Such policies include the personal account dealing policy for staff.

3.1 Incentivised Behaviour

When altering organisational structures, Arjent Limited aims to ensure that there is no incentivisation of behaviour that may lead to conflicts, e.g. via remuneration, appraisal or other management/control arrangements that reward or potentially reward behaviour that disadvantages the interests of any client in favour of the firm or another client. One permissible indirect link within Arjent Limited would include any bonus calculated according to the general performance of the firm.

Employees may undertake personal account dealing which may give rise to a potential conflict of interest. Arjent Limited has appropriate procedures in place to ensure that clients are not disadvantaged by any personal dealings of the firm's employees (or the associates on the employee's behalf).

In addition, Arjent Limited employees must never permit their personal interest to conflict with, or to appear to conflict with, the interests of the firm on any level whatsoever. The FSA can use enforcement on grounds of principle breaking, i.e. for not treating customers fairly, and thus employees must never aim to, or actually abuse any conflicts of interest.

4. CONFLICT HANDLING METHODOLOGY

It is firm policy for all Arjent Limited staff to act independently with regards to the interests of each one of their respective clients. It is therefore a rule that in performing any service on behalf of a client, only the client's interest is to be considered, and any interest or potential interest of Arjent Limited, or of any other client is strictly disregarded.

4.1. Methods of Conflict Management

Methods utilised by Arjent Limited for conflict management will depend on the type on conflict. These include:

- Tidy Desk Policy;
- Secure Computer Policy;
- Restricting the individual involved to working in areas outside the area of conflict;
- Safeguarding of private and important documents.

Arjent Limited notes that 'Chinese Walls' are not appropriate or necessary at the current time, due to the nature of business the company is active within.

Arjent Limited's IT systems are designed and maintained to eliminate the risk of sensitive information flowing between departments, with certain work conducted on personal folders remaining inaccessible to other individuals.

4.2. Disclosure

It is natural that occasions may arise where Arjent Limited, or a client of the firm, has a form of interest in business being transacted for another client.

Disclosure is not seen as a method by which Arjent Limited can wholly manage a conflict of interest, but is used where all reasonable steps to manage a particular conflict of interest are not sufficient to ensure that the risk of damage to the interests of a client will be prevented.

In these circumstances, Arjent Limited considers whether disclosure is appropriate or whether, bearing in mind the risks involved, it should refrain from acting for the client. Where the client is a professional client or an eligible counterparty, the client is likely to be in a well-informed position to understand the disclosures made as well as any risks involved with a specific deal.

Disclosure aims to be as all other communication made to the client - clear, fair and not misleading - irrespective of client classification, also containing sufficient detail of any relevant conflicts of interest to enable the client in question to make an informed decision.

Arjent Limited aims to make general disclosure of conflicts of interest within its standard documentation, for example, the Terms of Business. Where there is particular information to disclose in relation to a service, activity or transaction, this will be disclosed in specific terms.

4.3. Notion of Reasonableness

Inline with regulatory requirements, Arjent Limited takes all reasonable steps to identify and manage any conflicts of interest. The notion of reasonableness does not prohibit firms from carrying on activities which could create conflicts of interest. This also extends to activities that, when carried on together within the same legal entity or group, may potentially create conflicts of interest.

In determining what steps are reasonable to identify and manage conflicts of interest, Arjent Limited will take into account:

- The level of risk that a conflict of interest may constitute or give rise to a material risk of damage to the interests of a client or clients;
- The nature of the conflicts in question;
- The way the firm is organised as well as the nature, scale and complexity of the firm's business; and
- The nature and range of products and services offered in the course of its business.

The requirement to identify and manage conflicts of interest applies equally to all types of clients.

4.4. Nature, Scale and Complexity of Business

Whilst Arjent Limited only performs a limited but core range of services and activities the firm pro-acts by preparing itself for the possibility of regular conflict situations. Included within this outlook, where the relevant services provided to its clients carry a high risk of client interests being damaged by conflicts of interest, Arjent Limited aims to apply a greater proportion of resources to managing such conflicts.

5. CONFLICT IDENTIFICATION

Conflicts may especially arise where the firm acts on both sides of a transaction, or advises a customer in relation to investments made available by Arjent Limited. The firm aims to anticipate these conflicts, with the installation of appropriate measures before they formally arise.

Arjent Limited assesses situations on an ongoing basis that could potentially give rise to conflicts of interest across any combination of parties, noting that these are not always readily apparent. It is the duty of any representative of Arjent Limited in a situation where a conflict of interest cannot be avoided to inform and consult the Compliance Officer.

Arjent Limited employees should be aware of current conflicts of interest, acting with caution where new conflicts of interest may potentially arise. Inherent examples of where these tend to arise include:

- Having more than one business function within the office;
- Flow of information between business functions; or
- Acting in more than one respect from different types of clients.

Arjent Limited considers all services and activities carried out by each line of business in order to pro-actively identify any conflicts that may arise, by incorporating processes that enable the firm to do so.

6. RESPONSIBILITIES

This policy applies to all Arjent Limited employees, each of whom are made aware of the policy to emphasise the importance of this area. The firm stresses that it is each individual's responsibility to have read and understood this policy. Where a conflict of interest arises, the relevant employee(s) are accountable for acting in accordance with this policy.

In accordance with FSA rules, Arjent Limited maintains a record of services or activities carried out by, or on behalf of the firm, in which a conflict entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise.

Record keeping for conflicts of interest is a designated responsibility of the Compliance Officer, and conflicts are recorded within a practical and reasonable timeframe. A record of a particular conflict is then kept, either in paper format or electronically, for 5 years from the start of the conflict.

Provided that a record of the policy (with version control) is kept for a period of 5 years, implementation and regular updates of the policy aims to ensure compliance with the record keeping requirement set out above. This is because the obligation to implement and update a policy requires all firms to identify the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients.

6.1. Training and Review

Arjent Limited employees are given training on how to be aware of conflicts of interest and how to report any new or future conflicts of interest. Employees in a client facing function are required to have sat and passed the Financial

Regulation exam (or equivalent) which outlines key principles, including conflicts of interest.

Combining training sessions and sitting regulatory exams will ensure competency throughout all employees and especially with regards to conflicts of interest.

This policy is reviewed on a regular basis, and at least annually to ensure that it is up to date and relevant.