



ARRACO IRELAND LIMITED

Summary of Conflicts of Interest Policy

May 2022

1. Introduction

This document contains a summary of AIL's Conflicts of Interest Policy, designed to identify the conflicts of interest that arise between AIL and its clients and between different clients and to detail the procedures in place to manage such conflicts.

Where AIL does not consider that the arrangements that we have in place are sufficient to ensure with reasonable confidence that a potential conflict of interest will not damage a client's interests, we will inform the client of the nature of the conflict, the risks that arise due to this conflict, and the steps we have to mitigate these risks. If the conflicts of interest are so great that they cannot reasonably be managed in such a way as to ensure fair treatment for a client and/or the integrity of the market, then AIL decline to act for that client.

2. Purpose and Scope

The purpose of this document is to summarise the policies and procedures in place within AIL for identifying, minimising and managing conflicts of interest arising from all the different business activities. In accordance with the relevant Mifid provisions, AIL is required to:

- take all appropriate steps to identify and to prevent or properly manage conflicts of interest, such as those between (i) the firm and its clients, (ii) one client and another and (iii) the overall efficiency of the wholesale market integrity.
- maintain and operate effective organisational and administrative arrangements in order to take all appropriate steps to prevent conflicts from adversely damaging clients' interests. If the risk of a conflict of interest is so great that the conflict cannot be avoided or managed by a combination of these and/or other steps in such a way as to ensure the client's interest will not be adversely affected, then the firm will decline to act for that client;
- fairly disclose the general nature and/or source of the conflict to the client when the organisational and administrative arrangements in place are insufficient to ensure that clients' interests will not be adversely affected;
- keep records of the firm's services and activities in which conflicts may arise or have arisen; and
- provide clients with a summary of this Conflicts Management Policy.

3. Identifying Conflicts of Interest

For the purpose of identifying the types of conflicts of interest that may arise, and which may entail a material risk of damage to clients' interests or market integrity, AIL takes into account whether the firm, an associate or an employee:

- has conflicting duties to act for clients on both sides of a transaction;
- is acting for a transaction in respect of which it holds relevant confidential information supplied by a current, past or prospective client on the other side of the transaction;
- holds unpublished price sensitive information about the issuer of securities held for client;
- through/acting in a transaction affecting the issuer;
- is likely to make a profit or avoid a loss at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of a client, which is distinct from the client's own interest in that outcome;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as the client; or,
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies goods or services, other than the standard fee or commission for that service.

When assessing conflicts of interest, AIL take into account not only the interests of its own staff, but also those of any individuals directly involved in the provision of services to the firm under an outsourcing arrangement.

Apart from the general conflicts of interest inherent in the nature of the business being undertaken and set out in this Policy, there are a number of methods of identifying specific conflicts of interest that may arise from time to time, including:

- Checks within the product development and change management processes, requiring consideration of whether new and/or current activities create new conflicts or undermine the procedures in place to control and manage existing conflicts;
- The Board of Directors, which approves all new products and services, explicitly considers the potential for conflicts of interest in each case when deciding whether or not to proceed with the business; and,
- Policies and procedures to identify personal account holdings by staff, receipt of gifts and entertainments and external business interests.

Details of conflicts of interest (actual and potential) and Staff Outside business interests are recorded in an ad-hoc Register maintained by the Head of Compliance.

4. Prevention and management of Conflict of Interest

AIL has implemented a number of internal arrangements designed to manage potential conflicts of interests. Those include:

- **Segregation of Duties.** There is functional separation between staff providing investment services (i.e. brokers) and staff providing other services (i.e., operations).
- **Chinese Walls and Market Abuse Policy.** Chinese Walls are formal arrangements that require information held by a person in one part of the business to be withheld from, or not to be used for, persons in another part of the business. AIL implemented a detailed Chinese Wall procedures and Market Abuse Policy to prevent flows of information.
- **Personal Account Dealing** AIL has detailed policies and procedures in place to monitor staff personal account dealing and to restrict it in certain circumstances that may pose a risk of conflict of interest and/or insider dealing.
- **Inducements/Gifts and Entertainment.** AIL implemented detailed policies and procedures on the giving and receiving of gifts and entertainments;
- **Compliance Monitoring** AIL has implemented a holistic Compliance Monitoring Programme setting out extensive second line monitoring activities and controls designed to minimize risks of non-compliance.

5. Disclosure of Conflicts

If the organisational and administrative arrangements are insufficient to ensure, with reasonable confidence, that clients' interests will not be damaged, the firm must clearly disclose the general nature and/or source of the conflict to its client(s) before undertaking business for those client(s). When disclosure is nonetheless required, conflicts of interest are disclosed in various ways:

- General disclosures on the Group website, in marketing material and in the various T&Cs; and
- Specific disclosures to individual clients where general disclosures are insufficient in themselves.

Detailed version of this Policy is available to all client upon request. Please contact compliance at dub_compliance@arraco.com