ARGON | FINANCIAL

Conflicts of Interest Policy

Purpose

In accordance with the Financial Services (Markets in Financial Instruments) Act 2018, commonly known as MiFID II, this document sets out Argon Financial Limited's ("Argon", "firm", we", "us") policy on conflicts of interest.

The purpose of this Policy is to identify the requirements Argon has to ensure it is treating its customers fairly and to provide guidance on what is expected in relation to any conflicts of interest that could arise, that may prevent us from discharging our duty to our clients.

This Policy sets out the procedures and controls that Argon has implemented in order to identify and manage conflicts of interest. As a regulated investment firm, Argon must take **'all reasonable steps to identify and prevent or manage conflicts of interest'** (i) between ourselves; including all personnel, Tied Agents, or any person directly or indirectly linked to them by control and their clients, (ii) and a client of the firm; (iii) or between one client of the firm and another client of the firm, that arises in the course of providing any regulated activity.

Scope

This Policy applied to all Directors, Officers, Employees, Contractors and Secondees ("personnel", "employees"). Argon expects all employees to maintain the highest standards in carrying out their business activities, adhering to legislative requirements and our policies and procedures on business conduct. Additionally, we expect our employees to act professionally, honestly and ethically in all their dealings with clients, counterparties, brokers and other third parties.
We require all employees to avoid conflicts of interest wherever possible, and to ensure that any conflicts or potential conflicts identified are disclosed as set out in this policy.

The Board oversees this policy and is accountable for its implementation, however the day to day responsibilities and management for this policy lies with the Compliance Officer.

Failure to comply with this policy could result in internal disciplinary action being brought against the relevant employee.

The policy applies to Argon when providing services to clients in the course of carrying on regulated activities or any activity that is carried on in connection with that regulated activity or held out as being for the purpose of that activity.

Identifying Conflicts

When establishing this policy and identifying a potential conflict of interest that may have a material risk of damage to the interest of a client, Argon will consider whether the firm, its personnel or any other related person is;

1. Likely to make or create a financial gain or avoid a financial loss for Argon or a person in some way related to the firm, at the expense of a client.
2. Likely to have or has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome.
3. Likely to have or has a financial or other incentive to favour the interest of another client or group of clients over the interest of the client.

4. Receiving or may 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 commission or fee for that service

In these cases, it is important for Argon and all personnel to consider (i) their involvement as a Director, Officer, Manager or Board Member of any other firm, (ii) any outside business activity, (iii) any connections with the counterparties we actively do business with, (iv) competing requirements between our clients, (v) to receive or give entertainment that is not reasonable in cost or appropriate in time, place and occurrence, or falls outside the parameters set down in Argon's relevant policies.

Potential Conflicts

It is realised by Argon that all personnel need to be aware of the potential conflicts the firm could be faced with and consider all and any new events that may result in a possible conflict.

1. Personnel conflicts, where personal interests conflict with the interests of Argon or with a counterparty of Argon
2. Counterparty conflicts, where the interests of Argon and its counterparties either directly conflict or are more generally not compatible, or where the interests of two or more counterparties conflict or are generally not compatible.
3. Internal conflicts, where the interests between departments within Argon conflict

Managing Conflicts of Interest

In accordance with MiFID II Argon is required to identify all known conflicts, along with methods of dealing, mitigating and monitoring the conflict.

The firm ensures that all personnel have read and understood the Compliance Manual, Personal Account Dealing Policy, Gifts & Entertainment Policy and Order Execution Policy.

Argon will manage conflicts that arise internally or by establishing internal barriers (detailed below). Argon has the right to decline to act for a client or disclose an interest to a client.

Argon has implemented organisational and administrative procedures and controls to manage the perceived conflicts of interest the firm may face;

Conflict 1: Inappropriate exchange of information that may harm the interest of clients

- The firm maintains confidentiality of client's interests by including a confidentiality clause in each staff employment contract.
- The firm may receive inside information while conducting an order on behalf of a client. The client may not advise that the information provided is inside information, however all staff are trained and aware that they are not to discuss any client activity with any other clients or act on any information provided by a client that is not specifically for that client.
- The firm does not sell research and therefore no conflict can arise in relation to fund management and research ideas promulgated.

Conflict 2: Inadequate separate supervision of personnel

- The firm has separate dedicated teams for execution and agency business covering trading and operations.

- Independent reconciliations of a trader's positions are performed at "t+1" by separate personnel to ensure internal bookings are valid with external counterparts

Conflict 3: Structures to prevent or control inappropriate influence

- The firm runs a policy whereby any gift received above £150 requires the recipient within the firm to report this to the Compliance Officer.

Conflict 4: Simultaneous or sequential involvement of a person in a separate investment of ancillary service.

- The firm maintains a robust Personal Account Dealing Policy for all personnel such that any conflicted or potentially conflicted trade requires the pre-authorisation of a senior manager.
- The firm maintains a register of interests for all personnel.

Conflict 5: The firm's proprietary account, or another of the firm's clients is the other side of a client trade

The firm discloses that the firm, and other firm clients, may be active participants in the marketplace in which the client enters into transactions. Following the execution of a transaction, the firm may (whether knowingly or unknowingly and whether directly or indirectly) enter into the transaction on behalf of its proprietary account or the account of another of the firm's clients. In order to manage and mitigate this risk:

- The firm has set up Information Barriers to ensure the independence of those individuals carrying out client trades and those conducting proprietary trading.
- The firm does not have any discretionary mandates over client accounts operating solely on an execution-only basis for client-side trades.

Conflict 6: Interest in an outside business activity

A conflict of interest may arise where an employee has a direct or indirect interest in an outside business activity. This may be where the employee has a connection with the other party to the transaction, or where the employee's family has a connection. The connection may be from a directorship, significant shareholding, employment or consultancy. In order to manage and mitigate this risk:

- The firm requires disclosure of any connection which could or could be seen to have the effect of compromising the judgment of any employee.
- Employees are required to notify the Compliance Officer of any such potential conflicts of interest, who will then decide if the employee can be involved in the external activity.

Conflict 7: Personal account dealing

Employees may only undertake personal investment activities that do not breach applicable law or regulation, do not unduly distract from their employment responsibilities and do not create an unacceptable risk to the company's reputation. Transactions should also be free from business and ethical conflicts of interest.

Employees must never misuse proprietary or client confidential information in their personal dealings and must ensure that clients are never disadvantaged as a result of their dealings.

The firm has established this policy to ensure that personal account dealing by members of staff comply with this policy. This includes a requirement for pre-account opening approval from the Compliance Officer for investments in market traded financial instruments and over the counter products (OTCs). Specifically, employees are prohibited from opening an account with Argon, unless prior approval is sought and provided by the Compliance Officer.

Should an organisational or administrative procedure be determined insufficient to prevent or manage a conflict of interest from adversely affecting the interest of a client, we will disclose to the client the nature and source of the conflict of interest and the steps we are taking to mitigate the risks before undertaking further business on behalf of the client.