

Ambrian Capital PLC High Level Policy for Managing Conflicts of Interest

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1. SUMMARY

Ambrian (“Ambrian Partners Ltd”, “Ambrian Commodities Ltd”, “Ambrian Asset Management” “the Firm”), as a multi-service provider, will inevitably find itself in situations where the interests of one client may compete with (i) those of another client; or (ii) the interests of the Firm and its employees. In common with many financial institutions, Ambrian has appropriate arrangements in place to identify and manage the conflicts which may arise during the normal course of its business activities.

This document summarises, at a high level, Ambrian’s approach to identifying and managing conflicts of interest and has been prepared in accordance with the requirements imposed upon the Firm by the Markets in Financial Instruments Directive (“MiFID”). It is for information purposes only and does not seek to provide detailed descriptions of the Firm’s internal processes and procedures in relation to the identification and management of conflicts of interest.

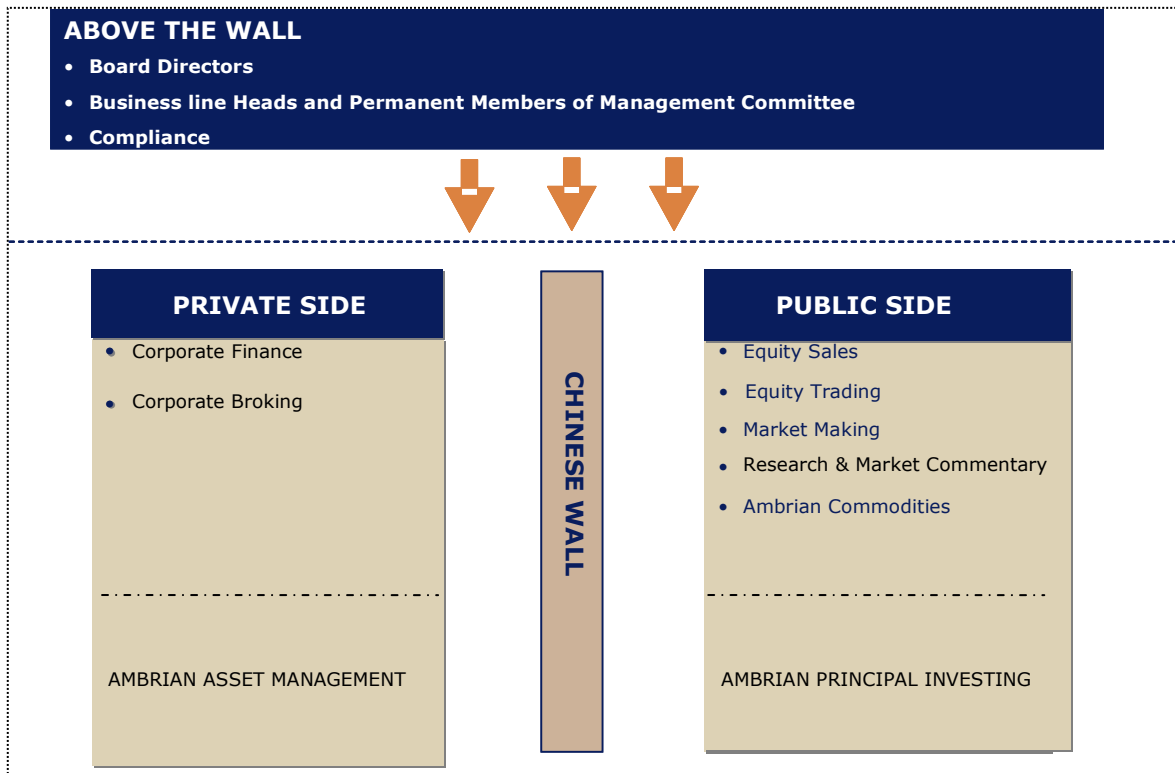
2. WHAT ARE CONFLICTS OF INTEREST?

There are a number of instances where a conflict of interest may arise during the course of business activities. Typically, a conflict is deemed to exist in a situation where the interest of a client could be adversely affected. The main types of conflict of interest fall into one or more of the following situations.

- a) ***Between firm and client.*** Situations where the interests of firms conflict with those of clients. Ambrian operates information barriers to prevent the flow of confidential client information to other departments which could use the information to the advantage of the Firm. Such barriers – commonly known as Chinese Walls – are designed to segregate the private side confidential advisory activities that Ambrian provides from the its’ public side sales, trading and market making activities

The Chinese walls structure in place at Ambrian can be illustrated by the following diagram:

AMBRIAN's CHINESE WALLS STRUCTURE



- b) *Between two or more clients.*** Situations where the interests of a client conflict with those of other clients. The Firm has implemented a conflict clearance system to ensure that conflicts between two or more clients, for example where clients are competing for the same target, are identified at the initial stages of the transaction, and are effectively managed.
- c) *Between firm and employee.*** Situations where the interests of employees conflict with the interests of a client or the firm. The Firm has detailed inducements and personal account dealing policies to discourage employees from being incentivised to act in such a way that conflicts with the interests of the Firm or the client.

Research & Market Commentary products are produced in accordance with the Ambrian Research & Market Commentary policy. As a small firm Ambrian is not able to meet all of the FSA requirements for managing conflicts of interest such that its research can be regarded as an impartial or objective assessment of the value or prospects of its subject matter. Nevertheless we will always ensure that our Research & Commentary output remains clear, fair and not misleading. The Ambrian Research & Market Commentary policies detail the measures that the firm has put in place to mitigate the potential conflicts relating to the publishing and distribution of research and market comment.

3. IDENTIFICATION OF CONFLICTS OF INTEREST

The Firm has taken reasonable steps to ensure that circumstances which give rise to a conflict of interest and may pose a material risk of damage to the interests of its clients are identified, managed and documented. The identification process consists of the following:

- Periodic review of the Firm's business activities. This is focussed on identifying potential conflicts of interests that may arise in each business line; and
- Specific transactions and client relationships. Potential and existing conflicts are identified in the early stages of a transaction or a client relationship.

The Firm has an ongoing management reporting process for potential and existing conflicts of interest. Senior management of each business area and all employees of the Firm are responsible for ensuring that both perceived and actual conflicts are reported in a timely manner. As part of the conflicts identification process, the Firm will maintain and regularly update a record of the conflicts it has identified.

4. CONFLICT MANAGEMENT ARRANGEMENTS

The Firm is committed to maintaining and operating effective organisational and administrative arrangements to manage the conflicts of interest it has identified. It also undertakes ongoing monitoring of business activities to ensure that internal controls are effective. The following are examples of measures and controls that are adopted by the Firm in order to manage conflicts of interests:

Internal conflicts of interest procedures. These procedures set out internal guidelines in relation to the identification and management of conflicts for employees to follow.

Personal account dealing policy. This restricts employees from trading for their personal accounts or other accounts where they hold an interest.

Research policy. This provides detailed guidelines in relation to the production and dissemination of research & market commentary financial promotion materials.

Inducements policy. This regulates the receipt and offer of gifts and inducements by the Firm's employees such that the Firm's integrity is not compromised.

Information barriers. These are operated by the Firm in order to control and restrict the movement of confidential information and include physical separation, electronic segregation, and wall crossing procedures.

Escalation procedures. These aim to ensure the timely reporting of any issues to senior management.

Supervision and remuneration. The supervision and remuneration of employees engaged in one activity is separate to other employees engaged in a different activity, where joint supervision or linked remuneration may lead to a conflict of interest.

Training. This is provided to employees to ensure that they are aware of their responsibilities and obligations.

Where Ambrian does not deem, with reasonable confidence, its organisational arrangements to be sufficient to prevent the risk of damage to a client, it will endeavour to disclose the general nature and/or source of the conflict of interest to the client – seeking its permission to proceed. In exceptional cases, the Firm may decline to act.

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