



CONFLICTS OF INTEREST POLICY AND PROCEDURES

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Introduction

VSA Capital Limited (“VSA” and the “Firm”) is authorised and regulated by the Financial Services Authority (“FCA”) and is required to adhere to the principles and rules imposed by the FCA in relation to conflicts of interest. In particular we must have regard to Principle 6 which requires us to pay due regard to the interests of our customers and treat them fairly; and Principle 8 which requires us to manage conflicts of interest fairly, both between us and our customers and between different customers. In addition, VSA must meet the detailed requirements of SYSC 10 and COBS (managing inducements for example). This document describes our policy in relation to the identification and management of conflicts of interest and has been approved by the Board of VSA.

The FCA Principles that are particularly relevant to Conflicts of Interest are:

- Principle 1 – A firm must conduct its business with integrity.
- Principle 6 – A firm must pay due regard to the interests of its customers and treat them fairly.
- Principle 8 – A firm must manage conflicts of interest, both between itself and its customers, and between a customer and another client.

General Principles

We will take all appropriate steps to identify conflicts of interests between ourselves and any client, or between one client and another, that arise or may arise in the course of us providing any service to our clients in the course of carrying on regulated activities or ancillary services;

As outlined in SYSC 10.1.4R, for the purposes of identifying the types of conflict of interest that rise or may arise in the course of providing a service and whose existence may entail a material risk of damage to the interests of a client we will take into account, as a minimum, whether the Firm, a relevant person or a connected person:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- 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;
- 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 commission or fee for that service.

Where a firm is a member of a group, it must also consider where conflicts of interest may arise as a consequence of the group structure or business activities of other group companies.

A ‘relevant person’ is:

- a director, partner or equivalent, manager or appointed representative (or where applicable, tied agent) of the Firm;
- a director, partner or equivalent, or manager of any appointed representative (or where applicable, tied agent) of the Firm;
- an employee of the Firm or of an appointed representative (or where applicable, tied agent) of the firm; as well as any other natural person whose services are placed at the disposal and under the control of the Firm or an appointed representative or a tied agent of the Firm and who is involved in the provision by the Firm of regulated activities;

- a natural person who is directly involved in the provision of services to the Firm or its appointed representative (or where applicable, tied agent) under an outsourcing arrangement or (in the case of a management company) a delegation arrangement to third parties, for the purpose of the provision by the firm of regulated activities or (in the case of a management company) collective portfolio management.

A 'connected person' is:

- an employee's, contractor's or director's spouse or partner, children and other dependents, or any business, personal or domestic relationship where he/she has influence over the individual's judgement as to how to invest;
- any company or unincorporated body controlled by the employee/contractor/director or in which they have a significant interest;
- employee/contractor/director or a related person or company has an interest;
- an estate or trust where employee/contractor/director is dealing as a personal representative of the estate or as the trustee of the trust in which the employee/contractor/director or a related person or company has an interest;
- employee/contractor/director dealing for the account of another person unless they do so in the course of their employment with Oberon. This includes dealing for the account of: • any other relative who shares the same household;
- any person with whom the employee/contractor/director has close links; and
- any person whose relationship with the employee/contractor/director is such the employee/contractor/director has a direct or indirect material interest in the outcome of the trade other than any fee or commission for the execution of the trade.

Management of conflicts of interest

We will 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. In relation to the identification and management of conflicts of interest we will take into account:

- The size, organisation, nature, scale and complexity of our firm and our business;
- The specific services and activities carried out by us;
- The risk that a conflict of interest may adversely impact the interests of a client, a group of clients, or all of our clients.

All directors and employees have an on-going responsibility to remain alert to the fact that conflicts of interest may arise when taking on new clients and otherwise. Newly identified potential conflicts are reported to the Compliance Officer who will determine what further steps may need to be taken to manage the conflict. He may conclude that:

- Existing controls are sufficient to prevent the conflict, for example when appropriate Chinese walls already exist;
- Additional control measures specific to the conflict concerned are to be implemented;
- We should decline to act for the client(s) concerned; or
- We should disclose the conflict to the client(s) concerned and seek their consent to continue with the service/transaction. We will not however place an over-reliance on disclosure of specific conflicts without adequate consideration as to how conflicts may appropriately be managed.

Prevention

Prevention is the first and most critical step in managing conflicts of interest effectively and the Firm will strive to prevent all conflicts of interest as a first option. This can be achieved, for example through the use of information barriers such as Chinese walls to restrict the flow of sensitive information between departments. Staff training and awareness programs ensure employees understand their responsibilities in recognising and mitigating conflicts. By fostering a culture of compliance and ethical behaviour, we aim to prevent conflicts from adversely affecting our clients' interests.

Management

When a conflict of interest cannot be entirely prevented, the firm will implement appropriate arrangements, such as appointing independent teams to handle conflicting aspects of the business, ensuring impartiality in decision-making. Regular reviews of conflicts registers and oversight by the Compliance Officer to ensure ongoing monitoring and effective management.

Additionally, we require all employees to disclose potential conflicts promptly, enabling proactive measures to be taken. Our focus is on maintaining transparency and acting in a manner that prioritises fairness and client interests.

Disclosure

If we are unable to put in place arrangements that are sufficient to prevent conflicts from adversely affecting our client's interests, we must disclose this to the client before carrying out any business on their behalf.

Any disclosure made under this section will be as a last resort and we expect to have effective organisational and administrative arrangements in place to prevent or manage conflicts. We will not make a disclosure before we have considered how we can reasonably manage a conflict to prevent or reduce the potential damage to the client's interests.

If we need to disclose, then we must disclose the general nature and source of the conflicts of interest and the steps we have taken to mitigate any risks. This disclosure must:

- be made in a durable medium (a letter or email)
- clearly state that we are reasonably confident the organisational and administrative arrangements we have in place will not prevent the risk of damage to the client's interest
- include a specific description of the conflict
- explain what risks to the client might arise as a result of the conflict
- made before business is undertaken for the client
- relate to specific conflicts of interest; and
- include sufficient detail to enable the client to take an informed decision about whether to proceed with the service offered by the firm.

The disclosure must be signed off by the Compliance Officer.

Decline to act

In cases where a conflict of interest presents a material risk to a client's interests and cannot be adequately prevented or managed, the Firm will decline to act. This decision underscores our commitment to operating with integrity and prioritising our clients' interests above all else. Situations where this may apply include transactions where impartiality cannot be assured or where continuing the business relationship may compromise the client's outcomes.

The decision to decline will involve consultation with senior management and the Compliance Officer, and clients will be informed promptly and transparently about the reasons behind such decisions.

Staff training

We will ensure that all staff receive training in respect of VSA's procedures for identifying, managing and escalating conflicts. All VSA directors and employees/contractors are made fully aware of this policy and their responsibilities and are required to attest to it on an annual basis. The policy will be reviewed by the Compliance Officer on at least an annual basis.

Research services

Where VSA produces research on house stocks it does not meet the regulatory requirements to be considered independent research. In all cases this will be clearly and prominently disclosed on the research document which will be clearly identified as a "marketing communication" and a clear and prominent statement that it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Where VSA produces research not on house stocks and believes such research to have been prepared in accordance with regulations for independent research, the research document will clearly state that it is independent research. VSA's research is intended for use by professional clients and eligible counterparties only.

The research department is physically separated from the corporate finance department which operates behind a Chinese wall with appropriate systems in place to prevent the flow of confidential and/or price sensitive information to other areas within VSA. Research analysts are therefore able to operate without any awareness of this information and are able to continue to publish recommendations without taking any confidential or price sensitive information into account. Where corporate finance advice is being publicly given, this will be clearly disclosed in any research document together with other regulatory disclosures of material interests.

Relationships with corporate clients are controlled by corporate finance. Where necessary, research analysts are brought over the wall by corporate finance to offer advice on house stocks in accordance with firm procedures Wall Crossing Procedures. In such cases, analysts may not publish research or advise clients with respect to these securities until the price sensitive information has been made public or has otherwise expired, unless the analyst is required to publish "reactive research" in response to a significant event, important transaction or announcement issued by the client company. Where analysts work with corporate finance by taking part in pitches for new business, new issues of securities or other issuer marketing, including roadshows, their involvement in such ancillary activities is under an independence policy whereby they provide their opinion in an unbiased manner and in accordance with their own professional judgement and expertise. Research analysts are generally required when preparing any research document or providing any advice to form their own opinions and to disregard any other relationships or conflicts of interest that they or the firm may have.

Timing of the publication of research is controlled by the Head of Equities except where publication is prohibited, for example, around the time of an investment offering.

Editorial control over draft research is retained by the analyst, although draft research may be submitted to the subject company and/or other VSA employees to check for factual accuracy. Valuations and forecasts are derived by the analyst and are produced independently of the issuer company. The name of the analyst will appear on the research document so that it is clear who has originated it.

Research must be disseminated using the firm's controlled distribution lists and must be distributed to all clients at the same time using VSA's normal distribution channels.

Notwithstanding the limited distribution of VSA research, such publications must disclose all relationships and circumstances which may reasonably be expected to impair the objectivity of the research, in particular significant financial interests in the relevant investment or conflicts of interest with respect to the relevant issuer, to include relationships of VSA and of the analyst producing the research and disclosing whether the analyst's remuneration is tied to investment banking activities performed by VSA. Disclosures must include at least any 5% shareholdings held by VSA in the issuer (or vice versa), any other financial interests which are significant in relation to the research recommendation and if applicable a statement that VSA has been involved over the previous 12 months in any publicly disclosed offer of securities by the issuer or is otherwise party to an agreement to provide investment banking services to the issuer. Disclosures will be made within the research publication itself unless they would be disproportionate in relation to the length of the publication, in which case clear and prominent reference will be made to the place where such disclosures are directly and easily accessible.

Remuneration

Remuneration is via a combination of salary and discretionary bonus with the latter based on VSA's profitability in conjunction with an assessment of an individual's performance. Analysts do not receive, directly or indirectly, any remuneration for providing favourable reports or publishing specific views. The recruitment and remuneration of research analysts is primarily the responsibility of the Head of Research to whom they report. The Head of Research in turn reports to the Chief Executive Officer. This is thought to provide an appropriate degree of segregation in the supervision of research staff from other firm activities, in particular from corporate finance.

Personal Account Dealing

Personal account dealings of all officers and employees of VSA are required to be carried out in accordance with VSA's Personal Account Dealing Policy in order to help ensure that trading does not occur in securities that are restricted or may conflict with our responsibilities to our clients. This requires all staff to declare any accounts held with external brokers and to have every transaction approved prior to dealing. In addition, staff must ensure that third party brokers that manage discretionary accounts forward copies of all contract notes to the Compliance Department.

Our investment analysts are permitted to invest on their own account in securities in relation to which they prepare research - whether on that particular investment, its issuer, or on related investments and issuers. However, they are not permitted to buy or sell relevant securities during the period when they know that research affecting those securities is being prepared for publication, nor for a period of 24 hours after publication of the research. In addition, they may only deal in relevant securities if the deal is not contrary to their published recommendation or to realise cash to meet pressing unrelated financial obligations. If investment analysts or their associates have a personal holding of the investment concerned, this is specifically disclosed in the research document.

Gifts and Inducements

VSA does not offer or agree to provide favourable investment research on any company or security, nor to make or change any particular recommendation in order to obtain corporate finance business. Neither the firm nor its research analysts may solicit or accept payment or other benefit in exchange for publishing or changing specific opinions or recommendations. Analysts are able, in the normal course of business, to accept offers by issuer companies to pay reasonable travel expenses and offer reasonable hospitality on visits to these companies and these will not be regarded as an inducement.

Where any VSA officer or employee receives gifts or benefits other than the above, these are dealt with in accordance with VSA's Gifts and Inducements Policy.

Monitoring Conflicts of Interest

Active conflicts of interest are discussed as part of the weekly WIP meeting and are also included in the monthly Management Committee. Furthermore, conflicts on interest are considered as part of every submission made to the New Business Committee (NBC). In all instances, the firm's initial approach is to prevent all conflicts of interest. Should this not be possible, the firm will follow the steps outlined earlier in this document.

The conflict on interest register will be reviewed on at least an annual basis.

Record keeping

Any conflicts that may arise during the course of business must be logged in the conflicts of interest register. These records will be maintained and updated on a regular basis (and reviewed on at least an annual basis) and will be retained for a minimum period of 5 years.

This policy will be reviewed at least annually by the Compliance Officer.