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CONFLICTS OF INTEREST POLICY

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## 1. INTRODUCTION

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- 1.1 Triland Metals Limited (“TML”) is an investment firm authorised and regulated by the United Kingdom Financial Conduct Authority (“FCA”). TML operates the following subsidiaries: Triland Metals Singapore Pte Ltd, Triland Metals Americas, Inc. and Triland Metals Tokyo Ltd. In this policy, TML and its subsidiaries are collectively referred to as “Triland”.
- 1.2 Principle 8 of the FCA’s Principles for Businesses requires all regulated financial services firms to manage conflict of interests fairly, both between the firm and its customers and between a customer and another client. In addition, Directive 2014/65/EU and certain delegated regulation issued pursuant to MiFID II (collectively, “MiFID II”) require a firm to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from adversely affecting the interests of its clients. Further, Chapter 10 of the Senior Management Arrangements, Systems and Controls Sourcebook (“SYSC”) of the FCA Handbook requires a firm to take all appropriate steps to identify and to prevent or manage conflicts of interest between certain parties that arise or may arise in the course of the firm carrying out regulated activities or certain ancillary activities or services. Certain other laws, rules and regulations applicable to TML also contain provisions relating to conflicts of interest, which TML is required to comply with.
- 1.3 Triland may face actual and potential conflicts of interest in the course of its business activities. This policy is issued by TML in connection with the abovementioned legal and regulatory requirements and for the following purpose:
- (a) to identify circumstances in the context of TML’s business which constitute or may give rise to conflicts of interest entailing a risk of damage to its customers’ interests;
  - (b) specify the procedures to be followed and measures adopted by Triland in order to prevent or manage such identified conflicts of interest; and
  - (c) explain the disclosure process TML will follow as a measure of last resort where the organisational and administrative arrangements established by TML to prevent or manage identified conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of its clients will be prevented.
- 1.4 The responsibility to identify and manage conflicts of interest within TML lies with its senior management. Senior management works with the Compliance Department to ensure that TML’s relevant systems, controls and procedures are effective for this purpose. All staff of Triland are required to abide by this policy.

## 2. IDENTIFYING CONFLICTS OF INTEREST

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- 2.1 In general, the circumstances that TML will treat as giving rise to a conflict of interest include those where there is a conflict between: (i) the interests of TML or certain persons or entities connected to TML or its corporate group, and the duty TML owes to its client; or (ii) the differing interests of two or more clients of TML to whom TML owes a duty, provided (in the case of (i) above) that there is also possible disadvantage to the client, or (in the case of (ii) above) there is concomitant possible loss to one of the clients.
- 2.2 All staff of Triland are required to report any identified actual or potential conflicts of interest to the TML compliance department as soon as possible. In seeking to identify conflicts of interest, TML will examine all available facts in an attempt to identify conflicts of interests that may arise between:

- TML and a client of TML;
- One client of TML and another client of TML;
- A director or an employee of TML and client of TML; and
- The shareholders, affiliates of TML or any other person or entity directly or indirectly linked by control to TML (any such person or entity, a “**Linked Person**”), in each case whose interests may conflict with those of a client of TML.

2.3 The only investment services and activities carried out by TML are execution of orders on behalf of clients and dealing on own account, as such terms are defined under MiFID II (hereinafter, “**TML Services**”). The TML Services may from time to time be provided by a Triland entity other than TML on TML’s behalf. The types of conflicts of interests that may arise in connection with such services and activities include circumstances where TML, a Linked Person or a director or an employee of TML:

- is likely to make a financial gain, or avoiding a financial loss, at the expense of a client of TML;
- has an interest in the outcome of a service provided by TML to the client or a transaction carried out by TML 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 one client or a group of clients of TML over the interests of another client or a group of clients;
- carries on the same business as the client of TML; and/or
- receives or will receive an inducement from a third party in relation to a service provided by TML to its client, in the form of monetary or non-monetary benefits.

### 3. EXAMPLES OF POTENTIAL CONFLICTS OF INTEREST

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3.1 Below is a non-exhaustive list of examples of the types of conflicts of interest that may or could occur in the provision of any of the TML Services by Triland, which could entail a risk of damage to the interests of one or more of its clients:

- Dealing for its own account on relevant markets in which its clients are also active;
- Establishing proprietary positions based on the confidential information of a client and/or trading using the confidential information of a client to the detriment of the client;
- ‘Dealing ahead’ of or ‘pre-hedging’ client orders without their consent;
- Triland may act for different clients buying or selling the same derivative instrument and could place the interests of one client ahead of those of one or more other clients, to the detriment of those other clients;
- TML could have a revenue sharing arrangement or similar relationship with an exchange or a clearing house that could affect TML’s incentive to use that particular exchange or a clearing house; and
- Triland or its employees could receive sizeable gifts or entertainment (including non-monetary benefits) that may exert influence contrary to the interests of clients.

## 4. PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

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4.1 TML has adopted a number of procedures and measures aimed at preventing and managing the conflicts of interest identified within its business, which all relevant Triland staff must follow. These procedures and measures are designed to ensure that relevant persons engaged in different business activities involving one or more identified conflicts carry on those activities at a level of independence appropriate to the size and activities of TML and its group, and to the risk of damage to the interests of TML's clients. These procedures and measures include:

(a) **Information barriers**

Triland implements both tangible and intangible barriers to restrict the flow of confidential information, where necessary and appropriate. Often referred to as "Chinese Walls", these barriers prevent confidential and sensitive information from being inappropriately exchanged between different parts of the business. Relevant controls include physical separation of departments and system access restrictions. Chinese Walls enable Triland to continue operations on behalf of its clients and at the same time minimise the risk of becoming involved in a potential conflict of interest.

(b) **Separate supervision of relevant persons**

Where appropriate, TML has arranged for the separate supervision of those of its staff who carry out functions for clients whose interests may conflict with the interests of one or more clients, or where the interests of clients and TML may conflict.

(c) **Incentives and measures against inappropriate influence**

All staff are required to act in accordance with TML's Gifts, Hospitality & Entertainment Policy. This policy provides clear parameters in which staff can provide or accept gifts, hospitality and entertainment and ensures transparency through its requirement for all members of staff to disclose details of all gifts, hospitality, entertainment or any other inducements they receive from or provide to clients or third parties.

The remuneration of no Triland employee, including those in key support areas such as compliance, finance and operations, is directly linked to the profits generated by him/her. A discretionary bonus structure does exist but is linked to a variety of factors.

Triland also monitors the external business interests and board memberships of persons relevant to a specific relationship or transaction.

(d) **Segregation of functions**

Whenever possible, Triland operates a clear structural segregation of business functions and departments to allow for the independent running of each function and department. Where necessary and appropriate, TML also imposes a strict demarcation between the operations of TML and its affiliates and other Linked Persons.

Triland may further remove certain employees from working on a particular transaction where the interests of impartiality dictate so.

(e) **Confidentiality**

All staff of Triland are required to adhere to Triland's internal rules on confidentiality, which require staff to maintain the anonymity and confidentiality of its clients at all times. Triland will refuse any requests from clients for specific details of other clients' market activity or other confidential information.

To ensure that third party service providers of Triland do not use information obtained in the course of service provision to obtain a commercial advantage at the detriment of a client, Triland requires all outsourcing

arrangements to have a service level agreement in place, which oblige the service provider to protect the confidentiality of any confidential information obtained during the provision of the services.

TML has also implemented policies and procedures to monitor employees' personal account dealing and may, in certain circumstances, restrict such dealing if an employee's interests conflict with those of one or more clients.

(f) **Order execution policy**

In order to prevent the preferential treatment of one or more clients at the expense of one or more other clients and to ensure that TML customers receive as fair treatment as possible, all relevant orders received from clients are required to be executed in accordance with TML's Order Execution Policy. This policy requires relevant staff of Triland to take all sufficient steps to achieve the best possible result when executing client orders.

(g) **Other procedures and measures**

Below are further examples of the procedures and measures that TML applies to prevent or manage conflicts of interest identified in its business:

- (i) Imposing strict limits of the amounts of proprietary positions TML is allowed to hold at any time;
- (ii) The prompt recording of relevant information in a protected environment;
- (iii) Assessing the risk of potential conflicts of interest arising during the course of business when opening new accounts for clients;
- (iv) Regular monitoring and review of the effectiveness of Triland's conflict management arrangements;
- (v) Regular training of relevant Triland staff on matters relating to conflicts of interest; and
- (vi) Possibly declining to act for a client whose interests are at risk.

## **5. REGISTER OF CONFLICTS**

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5.1 TML maintains a register of conflicts which records when specific conflicts of interest have arisen or may arise.

5.2 TML uses the information contained within the register exclusively to identify actual or potential conflicts of interests. The senior management of TML receives written reports of such conflicts of interest at least annually.

## **6. DISCLOSURE OF CONFLICTS OF INTEREST**

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6.1 Triland seeks to implement this policy and protect the interest of its clients at all times. However, where the effective organisational and administrative arrangements established by TML to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of a client will be prevented, TML will as a measure of last resort clearly disclose that fact to the client. Such disclosure will also contain the following:

- (a) a specific description of the conflicts of interest that arise in the provision by TML of the relevant investment and/or ancillary services, taking into account the nature of the client to whom the disclosure is being made; and

- (b) an explanation as to the general nature and the sources of conflicts of interest, as well as the risks to the client that arise as a result of the conflict of interest and the steps undertaken to mitigate these risks in sufficient detail to enable the client to make an informed decision.

## **7. REVIEW**

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- 7.1 This policy will be assessed and reviewed by TML periodically and at least once a year. Any deficiencies identified will be addressed at the point of such review and assessment.