

**CONFLICTS OF INTEREST POLICY**  
**SUMMARY**

**Effective September 2019**

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## 1. Introduction

The Markets in Financial Instruments Directive II (“**MiFID II**”) as transposed into French law requires a firm to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

R.J. O’Brien France SAS (“**RJOF**” or the “**Firm**”) is an investment firm, supervised by the AMF and ACPR, providing broking services to clients on Derivatives and Equities markets.

RJOF is currently authorised to provide two investment services: reception and transmission of orders and execution of orders for third parties. Part of its business shall be constituted by provision of direct electronic access to EU markets (“**DEA**”).

RJOF only provides broking services to either Eligible Counterparties or Professional. RJOF’s client base will be predominately EU clients but it will also seek clients from the US and other jurisdictions. RJOF will not enter into relationship with retail clients.

## 2. Purpose

RJOF has a guiding principle of integrity, which is central and paramount to its client relationships. RJOF is committed, when providing services, to always act in the best interest of its clients and putting the clients’ interests ahead of its own.

The purpose of this Conflicts of Interest Policy (the “**Policy**”) is to ensure that RJOF’s clients are treated fairly, honestly and professionally at all times and for RJOF to take all appropriate steps to identify and to prevent or manage conflicts of interest both between RJOF and its client(s) and between a client and another client.

## 3. What is a Conflict of Interest?

A conflict of interest is a conflict that arises, or may arise, in the course of RJOF providing services to its clients which may potentially adversely affect the interests of a client or favour or benefit RJOF or RJOF staff over a client of RJOF or a client’s interest over another client’s interest.

A conflict of interest may arise in where RJOF or a RJOF staff member:

- is likely to make a financial gain or avoid a financial loss at the expense of its client;
- has an interest in the outcome of the service provided to its client, which is different from the client’s interest in that outcome;
- has a financial or other incentive to favour the interests of one client or group of clients over the interests of another client;
- carries on the same business as a client;
- receives or will receive an inducement from a third party in relation to a service provided to a client, in the form of monetary or non-monetary benefits or services; or
- is in possession of information obtained in the ordinary course of its business which would benefit the individual, RJOF affiliate or a client, but such information is not publicly known.

#### **4. Scope and Applicability**

All relevant RJOF staff must comply with the requirements of this Policy. All staff regardless of function or role are expected to understand the requirements of this Policy and its application.

For the purposes of this Policy, RJOF staff includes senior management and employees, executive corporate officers ("*Président*" or "*Directeur Général*"), effective officers ("*dirigeants effectifs*" or "**Effective Officers**"), tied agents, and members of the management body in its supervisory function (the "**Supervisory Board Members**"), as well as persons acting under RJOF's authority, or on RJOF's behalf, or any person directly or indirectly subject to RJOF's control.

In terms of activities covered, this Policy shall cover all investment services, as well as any ancillary services or a combination thereof, carried out by or on behalf of RJOF.

In terms of temporal scope, this Policy shall apply to current actual or potential conflicts of interest arising from current relationship or interests, as well as those arising from past relationships and interests within the recent past prior to joining RJOF, to the extent that these may still have an impact on staff's behaviour and participation in decision-making.

#### **5. Prevent and Manage Conflicts of Interest**

The following types of measures are put in place, as appropriate, to (i) prevent and (ii) manage any conflicts of interest.

##### **a) Disclosure of Interests for assessment and inclusion in the Conflicts Register**

This disclosure requirement includes:

- Permanent potential or actual conflicts of interest arising from past or current Interests:
- Conflicts of interest occurring unexpectedly with regard to a single event (e.g. a transaction, the selection of service provider, etc.).

##### **b) Monitoring and Review**

As part of RJOF's risk-based approach, RJOF, its staff and its clients are subject to ongoing monitoring. Tailored monitoring and follow-up may be put in place on a case-by-case basis with respect to identified conflicts of interest.

##### **c) Information Barriers/Segregation**

Conflicts of interest may arise from the proximity of RJOF's business areas whereby information becomes available to individuals who may benefit.

RJOF has adequate information barriers and segregation in place to restrict and prevent the access to confidential information.

Tailored information barriers/segregation measures may be put in place on a case-by-case basis with respect to identified conflicts of interest.

**d) Disclosure Obligations to the clients concerned**

As a last resort and in situations where RJOF has no other means of managing a conflict or the controls in place are not deemed sufficient to protect the interests of its clients, the conflict of interest will be disclosed to the clients for the client to take an informed decision as to whether they wish to continue doing business with RJOF in that particular circumstance. These disclosures will be provided prior to entering into a relationship and conducting business on behalf of the client.

**e) Declining to Act**

Situations may arise where it is not possible to manage a conflict of interest and it is deemed in the best interest of the clients for RJOF to decline to act on the client's instruction.

## **6. Preventing and Managing Certain Conflicts of Interest**

The following potential types of potential risks of conflicts have been identified, and are prevented and managed as set out below:

**a. All Staff**

**(i) DEA client / outsourcing of monitoring to same client**

RJOF's sole shareholder ("RJOL") is a DEA client of RJOF and RJOF has also outsourced a certain number of services to RJOL, including in particular DEA related services. A conflict could potentially arise.

**(ii) Order Handling of similar orders submitted by two clients of RJOF / preferential treatment of one client above another**

Conflicts of interest can arise as a result of preferential treatment of certain clients.

To ensure that RJOF clients are treated fairly, all orders are required to be handled in accordance with RJOF's execution and best execution policies.

**(iii) Separation of business activities and of supervisory functions**

RJOF is currently providing only execution services: reception and transmission of orders and execution of orders for third parties. In the case where RJOF will start new activities or services, Business areas that could give rise to conflicts of interest if they were seated together will be set up to work independently from one another and will be supervised by separate senior managers so as to prevent or mitigate the risk of exerting an inappropriate influence.

**(iv) Outside Business Interests**

A conflict of interest may arise in respect of outside relationships, positions (corporate, employment etc) or any kind of business interests within the RJOF group or external positions outside of RJOF group ("OBIs") that may affect the abilities of the RJOF staff member to perform their role or to fulfil the obligations of RJOF. OBIs must be declared upon joining RJOF and as and when a change occurs.

RJOF staff members may not participate in any outside business whose services or products compete directly with those offered by RJO group.

**(v) Investment recommendations (MAR)**

RJOF does not provide or produce investment recommendations within the meaning of MiFID II rules and regulations. However, RJOF will disseminate investment recommendations or other information recommending or suggesting an investment strategy produced on its behalf which may fall into the scope of the Market Abuse Regulation provisions.

In such case, RJOF staff shall take reasonable care to ensure that such information is objectively presented, and to disclose interests or indicate conflicts of interest concerning the financial instruments to which that information relates.

**(vi) Relationships with RJO group entities**

RJOF has entered into and is expected to maintain in place various contracts with affiliates which are members of the wider RJO group.

Conflicts may arise and in order to deal with this risk, it is a RJOF's policy that these transactions will be conducted at arm's length and all relevant internal control procedures shall fully apply to such transactions.

RJOF shall also have some of its affiliates as clients. As mentioned above, to ensure that RJOF clients are treated fairly, all orders are required to be handled in accordance with RJOF's execution and best execution policies.

**(vii) Personal Relationships**

A conflict of interest may arise in respect of personal relationships between the RJOF staff member and individuals or entities within the industry or connected to RJOF.. Information sharing may be restricted to this individual and maybe subjected to additional monitoring.

**(viii) Personal Account Dealing**

A conflict of interest may arise as a result of personal trading activities of RJOF staff member.

RJOF has implemented notification and approval processes designed to ensure that an individual's trading decisions are not related to the role they perform.

**(ix) Inducements**

An inducement is a payment or non-monetary which is given or received.

**Gifts and Entertainment**

Conflict of interests may arise when giving or receiving an inappropriate gift or entertainment.

RJOF staff must determine whether a gift or entertainment is appropriate and must consider the following factors where the gift or entertainment:

- is designed to enhance the quality of the service to the client;
- could infringe the duty of the RJOF staff member to act in the best interests of the client;
- could adversely affect the clients' interests; and
- does not encourage the recipient to act improperly.

Clear parameters have been established for staff to provide and accept gifts and entertainment whereby those over nominal amounts must be pre-approved and logged.

**(x) Bribes**

RJOF has zero tolerance to bribery and corruption.

RJOF provides annual training to deter RJOF staff from providing or accepting a bribe, entering into misconduct and unscrupulous behaviour.

**(xi) Remuneration**

Conflicts of interest may arise when an RJOF staff member is incentivised to take excessive risk which conflicts with the RJOF's risk appetite and the interests of its clients.

RJOF encourages responsible business conduct and the fair treatment of clients and discourages risk taking.

**(xii) Failure to ensure Integrity and Conduct**

RJOF sets high standards of integrity and conduct. RJOF staff are required to ensure clients are treated fairly, honestly and professionally at all times.

RJOF provides induction training to all new staff conveying the individual's responsibilities. An ongoing training programme reiterates to RJOF's staff the requirements and responsibilities to its clients.

**(xiii) Breach of Client Confidentiality**

Conflicts of interest arise when client confidential information is inadvertently or on purpose provided to another client.

RJOF staff must adhere to confidentiality rules and must maintain its client's anonymity. Providing information to a client or a third party regarding specific and future client flows are prohibited.

**(xiv) Third Party Service Providers**

Conflicts of interest may arise as a result of the use of third-party service providers whereby information acquired in the course of a relationship could lead to a commercial advantage for RJOF or the third party.

Service Level Agreements are required to be put in place by RJOF to govern the relationship between it and a third-party service provider which will contain appropriate provisions in respect of confidentiality and conflicts of interest.

**b. Supervisory Board Members**

Situations may arise where there is a risk of conflicts of interests between such member's duties and obligations vis a vis RJOF and/or RJOF's clients, and their other Interests. These Interests may adversely influence the performance of their duties and responsibilities and have an impact on the independence of mind of the Supervisory Board Members.

As stated above, conflicts of interest may also arise in relation to outside business interest with respect to the Supervisory Board Members. Supervisory Board Members may not participate in any outside business whose services or products compete directly with those offered by RJO group.

Where a Supervisory Board Member has or may have a conflict of interest the following steps will be implemented:

- appropriate information barriers will be put in place.
- the conflicted member will be prohibited from participating in discussions of any kind, whether formal (at Supervisory Board meetings, during committee meeting etc) or informal (such as during preparation of meetings or sharing of updates and exchanges with other Supervisory Board Members, compliance staff/Effective Officers) where the OBI or other Interest is involved.
- the conflicted member will be required to abstain from voting in relation to the conflicted OBI or Interest.

For the avoidance of any doubt, the above provisions in relation to the Supervisory Board Members will also apply, mutatis mutandis, to any committees set up within the Supervisory Board.

**c. Effective Officers**

Where a potential or actual conflict of interest arises with respect to an Effective Officer:

- any matters where one of the Effective Officers is conflicted will be dealt with exclusively by the other Effective Officer and appropriate information barriers will be put in place if deemed necessary by the Compliance Director.

## 7. Frequency of review and updates

This Policy will be assessed and periodically reviewed, on at least an annual basis, and in particular should additional investment or ancillary services be added the scope of RJO's activities or if other material changes to its business occur.

The Compliance Director will periodically, at least yearly, review the adherence to this Policy and the related policies, through the processes described above, in order to ensure that all conflicts of interests have been identified, disclosed and logged and all mitigating or preventative controls have been described and captured.