
WMBA Limited Conflicts of Interest Policy

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Conflicts of Interest Policy

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WMBA Ltd Conflicts of Interest Policy

Introduction

This Policy on Conflicts of Interest is important and must be read, understood and followed by the WMBA Limited directors and employees at all times. The Policy is intended to set out the minimum standards of propriety that the Firm expects from its directors and employees. Every director and employee of the Firm is required, as a condition of their continued employment by the Firm to read, understand and comply with this Policy of Independence. Violations will lead to disciplinary sanctions including possible termination of employment.

Each of the Firm's directors and employees is an agent of the Firm and, as such, is obligated to act for and in the best interests of the Firm and its clients. Certain personal activities or interests of a director or employee may have some connection with the Firm's activities or interests but involve little or no conflicts of interest (for example charitable or civic activities). Certain interests or activities of directors and employees may involve a significant actual or potential conflict with the interests or activities of the Firm and/or its clients or may give the appearance of conflict though no actual or potential conflict exists. Each director and employee must be alert to such conflicts of interest. He/she should scrupulously examine and avoid any activity or situation in which personal behaviour directly or indirectly conflict with the interests of the Firm or its clients. Such behaviour typically, but not exclusively, arises when it involves the use of knowledge acquired in conducting the Firm's business or from relationships with the Firm's clients or others.

One of the principal areas of potential conflict of interest is in the use of confidential information. Clients conduct business with the Firm with the expectation that all information and data provided by them or related to their business they conduct with the Firm will be maintained in absolute confidence. For this reason all information concerning the business of the Firm's clients and their transactions must be treated as absolutely confidential and must be confined, even within the Firm, only to those who must have such information in order for the Firm to carry out its business properly and effectively. The fact that rumours may be circulating, even if they are accurate, does not mean that the Firm's confidential information has become public information and does not relieve the Firm or its directors and employees of the ongoing obligation to treat the information as confidential.

No director or employee is permitted to benefit or allow another person to benefit (directly or indirectly, financially or otherwise) from knowledge of confidential information whether related to financial decisions, investment evaluation systems, strategies or methods, investment decisions, investment positions, in-house research or otherwise. This prohibition extends to the directors' and employees' relatives, friends and business contacts as well as Relevant Persons as defined in the rules of the FCA and any Appointed Representatives or Tied Agents of the Firm.

The Firm's directors and employees must ensure that they take particular care not to discuss confidential information with, or in the presence of, unauthorised persons, whether from within or outside the Firm.

Each of the Firm's directors and employees shall hold in a fiduciary capacity for the benefit of the Firm all information, knowledge and data relating to or concerned with its operations, business and affairs. He or she shall not, at any time, use, disclose or divulge any such information, knowledge or data to any person or corporate body other than the Firm and authorised persons within the Firm, except as may be legitimately required in connection with the business and affairs of the Firm.

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1. The Guiding Principles

- a. This document consolidates WMBA Limited's procedures and controls for identifying, managing, recording and, where relevant, disclosing actual or potential conflicts of interest. The objective is to provide all personnel with clear guidelines for compliance with WMBA Limited's internal regulations and those of the Financial Conduct Authority ("FCA").
- b. The definition of a Conflict of Interest is any action that is likely to disadvantage a client's interest against that of the Firm or to disadvantage one client's interest against that of another client.
- c. The FCA rules require that firms, in the first instance, have in place arrangements to manage conflicts. Where such arrangements are not sufficient to ensure with reasonable confidence that the risk of damage to clients' interests will be prevented, a firm is required to disclose a potential conflict to its client before undertaking business with that client.
- d. The FCA Principles that are particularly relevant to Conflicts of Interest are:
 - i. Principle 1 – A firm must conduct its business with integrity.
 - ii. Principle 6 – A firm must pay due regard to the interests of its customers and treat them fairly;
 - iii. Principle 8 – A firm must manage conflicts of interest, both between itself and its customers and between a customer and another client.

2. Overview

- a. The FCA Handbook implements the conflicts of interest requirements and the relevant rules are located in the Senior Management Arrangements, Systems and Controls ("SYSC") found in the High Level Standards module of the FCA Handbook. All capitalised terms refer to the FCA definitions.
- b. Firms are required to take all reasonable steps to identify, manage, record and, where necessary, disclose actual or potential conflicts of interests between the Firm, including its managers, employees, appointed representatives or any person directly or indirectly linked to them by control, and its clients as well as between one client and another, and have in place a written policy in respect of conflicts of interest.
- c. The Rules apply to all client types (i.e. Retail Client, Professional Client and Eligible Counterparty) where the Firm provides a service and where such conflicts could have a detrimental effect on clients.
- d. 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.
- e. A firm's obligations in respect of conflicts of interest apply on a home state basis.

3. Obligations in respect of management of Conflicts of Interest

- a. As described in SYSC 10.1.3R, WMBA Limited is required to take all reasonable steps to identify conflicts of interest between:

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- i. itself, including its managers, employees and appointed representatives or tied agents or any person directly or indirectly linked to them by control, and a client of the firm, or
 - ii. one client of the firm and another client that arise in the course of the Firm providing any service referred to in SYSC 10.1.1R.
- b. In order to fulfil its obligation to 'take all reasonable steps' the Firm will consider:
 - i. the level of risk that such a conflict may constitute or give rise to a material risk of damage to a client/clients' interests;
 - ii. the nature, scale and complexity of its business; and
 - iii. nature and range of products and services offered in the course of its business.
- c. As required by SYSC 10.1.7R the Firm will maintain and operate effective organisational and administrative arrangements so as to ensure it takes all reasonable steps to prevent conflicts of interest as defined in SYSC 10.1.3R from constituting or giving rise to a material risk of damage to the interests of its clients.

4. Senior Management Responsibilities

- a. The responsibility for the management of Conflicts of Interest rests with the Firm's Senior Management. The Senior Management shall therefore ensure that they are kept fully aware of the FCA requirements in respect of Conflicts of Interest and are able to identify and manage any Conflicts of Interest or potential Conflicts of Interest. They must be able to assess objectively any conflicts or potential conflicts and be aware of the steps that need to be taken to mitigate any such conflicts in respect of both their business and personal responsibilities.
- b. The Senior Management is responsible for ensuring that the Firm's systems and controls are robust and sufficient to determine that the Firm is taking all reasonable steps to identify and manage any conflicts of interest that may arise. The Senior Management will ensure that they receive sufficient Management Information to enable them to carry out an informed assessment of the Firm's arrangements in order to assess that they are operating effectively. In practice, this requires the Firm's Senior Management to:
 - i. be involved in the identification and management of areas where conflicts of interest may arise;
 - ii. regularly review the Firm's risks of conflicts of interest arising and the mitigating arrangements in place. This will involve an inclusive review of the entire business activities of the Firm and, where appropriate, will include the relevant activities of any group companies.
 - iii. put in place a Conflicts of Interest Policy and Conflicts Register as required under the rules of the FCA
 - iv. review the Conflicts of Interest Policy and Conflicts Register on a regular basis and, at a minimum, on an annual basis.
 - v. on an annual basis all Directors and staff must formally confirm his or her record of potential conflicts of interest.
 - vi. assess and review on an ongoing basis situations that could potentially give rise to Conflicts of Interest. For example, whether the firm's organisational structure is likely to incentivise behaviour that may lead to conflicts (remuneration, bonuses, appraisal, management/control arrangements that reward or potentially reward behaviour that disadvantages the interests of one client in favour of the Firm or another client)

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- vii. put in place processes so that the Senior Management is able to identify any new conflicts of interest that may arise, for example as a result of new business or new product initiatives.

5. Management Information

- a. The provision of relevant, timely and accurate management information in order to assist senior management in controlling conflict of interest issues follows a well-defined process which has been established for all compliance matters in the Firm.
- b. Management information is derived in the first instance from the Firm's compliance department's monitoring processes. The Compliance Department will conduct a series of tests, weighted as to frequency based on the perceived compliance risk. The results of the compliance monitoring programme are documented as part of the Firm's Risk Assessment process, which is regularly reviewed by Senior Management.
- c. In addition the heads of each department of the Firm are required to respond to the findings of the compliance monitoring programme.
- d. Remedial action is undertaken by the senior management of the Compliance Department so as to ensure that systemic or repeated failures in established procedures are addressed. Senior Management is responsible for ensuring that the heads of each department or section as appropriate are aware of their duty to manage and control potential conflicts of interest and to ensure that departmental procedures are followed.
- e. When reviewing new business or new product initiatives or proposals, the Senior Management ensure that any evaluation includes consideration and identification of any areas of conflicts with the Firm's existing business activity. Where conflicts of interest are identified, before proceeding with the new business or product the Senior Management will ensure that mitigating arrangements have been put in place to manage such conflicts. If the Firm is not able to put in place adequate mitigating arrangements the Firm will either decide not to proceed with the new business or product or alternatively make the necessary disclosures to its clients in accordance with Section 7 below.

6. Criteria for the identification of actual or potential areas of Conflict

- a. As required by SYSC 10.1.4R, in our process for the identification of conflicts, the Firm considers whether the Firm or a Relevant Person or a person directly or indirectly linked by control to the firm:
 - i. is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
 - ii. 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;
 - iii. has a financial or other incentive to favour the interest of one Client or group of Clients over the interests of another Client;
 - iv. carries on the same business as the Client;
 - v. 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.

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7. Disclosure

- a. In the event that we are not able to put in place procedures to ensure with reasonable confidence there is no material risk to the interests of our clients, we will disclose any such conflict to clients or potential clients prior to commencing any designated investment business. We will ensure that such disclosures are fair, clear and not misleading and that the disclosures contain sufficient detail to enable the client to make an informed decision.
- b. In some circumstances, such disclosures may relate to transaction specific conflicts or to the general business of the firm or to a particular service or activity. We will ensure that disclosures are provided in a Durable Medium and are made prior to undertaking business with or on the client's behalf.
- c. In accordance with the rules of the FCA, the Firm will not place over-reliance on disclosure as a means of managing conflicts of interest. In this regard we will consider whether other reasonable measures would be effective in reducing the potential damage to clients' interests before relying on disclosure.

8. Record-keeping

- a. The Firm maintains a record of any circumstances in which a conflict of interest may arise or has arisen as a result of its activities of which this Policy forms the basis. Any conflicts that may arise during the course of business will be logged on the Conflicts Register. These records will be maintained and updated on a regular basis and will be retained for a minimum period of 5 years.

9. Management of Conflicts of Interest

- a. The Senior Management of the Firm has undertaken a review to identify the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more clients in respect of the specific services and activities carried out by or on behalf of WMBA.
- b. In order to protect the interests of its clients, the Firm has put in place the procedures and policies that are to be followed and the measures to be taken by the Firm, its employees, agents, etc. to manage such conflicts. The details of these policies and procedures are set out in this document.
- c. The policies and procedures have been designed so that Relevant Persons conduct their activities at a level of independence appropriate to the size and activities of the Firm and if applicable to the Group and to ensure that the Firm has taken all reasonable steps to protect the interests of its Clients.
- d. If any of the Firm's procedures do not provide the necessary level of independence, the Firm will put in place alternative or additional measures and procedures as are necessary and appropriate for the purposes of paragraph (10)(b).
- e. The Firm may, in certain circumstances decide it is not able to act for a client because it is not able to prevent a material risk of damage to the interests of one or more clients.
- f. The Firm will ensure that all employees receive training in respect of the Firm's procedures for identifying, managing and escalating conflicts. All Staff are made fully aware of the Firm's Conflicts of Interest Policy and of their responsibilities to ensure that customers are treated fairly.

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10. Areas of potential Conflicts of Interest

- a. WMBA Limited has identified the following circumstances in which conflicts of interest may arise. Details of the arrangements that we have put in place to prevent conflicts of interest arising are set out below or in the relevant Appendix.
- b. WMBA Limited has established the following procedures to prevent the possibility of any conflict of interest arising in the circumstances listed above. Each control procedure is cross referenced to the potential conflict circumstance and expanded upon in the relevant Appendix where necessary.
- c. Under its senior management system and control arrangements, the Firm ensures the separate supervision of Relevant Persons whose principal functions involve carrying out activities on behalf of, or providing services to, Clients where the interests of such Relevant Persons may conflict, or who otherwise represent different interests that may conflict, including those of the Firm;
- d. The Firm has put in place measures to prevent or limit any Person from exercising inappropriate influence over the way in which a Relevant Person carries out services or activities. These measures are detailed, for example, in our, Inducements Policy, Gifts and Entertainment Policy.
- e. The Firm has implemented an Expenses and Procurement Policy (which includes non-monetary benefits) so as to verify that no benefits are received that may influence the behaviour of its personnel.
- f. The Firm's arrangements to manage conflicts that may arise through service on Company Boards and other Outside Activities of employees and directors are detailed in [the Conflicts Register](#)
- g. Conflicts of interest may arise in connection with Personal Transactions by Firm employees, agents and relevant persons. These issues are addressed in the Firm's Personal Account Dealing Policy.
- I WMBA Oversight Committee include representations from Benchmark contributors, who may face a conflict between their duty and role as a committee member on the one hand and the interest of their employer organisation on the other hand
- J WMBA Oversight Committee include representative from Benchmark Users who may face a conflict between their duty to have regard to the interests of Benchmark Users as a whole, on the one hand, and the interests of their employer.
- k Oversight Committee members include representative from both contributors and users may become party to confidential information which may be useful to their employers

11. Monitoring Potential Conflict of Interest Situations

- a. The Firm follows the following procedures for monitoring compliance with the FCA's rules and guidance on conflicts of interest.
- b. The Firm documents its policies in this regard, both in general terms in the Compliance Manual and this Policy and its appendices which contain the Firm's supplementary policies. These documents are circulated to all the Firm's employees.
- c. The Compliance Department through its Compliance Monitoring Programme conducts various tests which, inter alia, contain elements of conflicts monitoring. These will include:

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- i. Review of fees, commission and non-monetary benefits received or paid by the Firm including review of Gifts & Entertainment records
- d. The Compliance Department maintains the Conflicts Register, which documents information from the Firm's personnel and Senior Management, and provides an independent assessment as to whether a Conflict is present or likely to occur. This Register also records any instances of where a Conflict of Interest has occurred and the remedial action taken.
- e. Details of the findings from the Compliance Monitoring Programme are provided on a regular basis to the Firm's Senior Management.

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Appendix A

Inducements

The Firm regularly reviews and monitors all fees and non-monetary benefits that are paid, received or provided to or by third parties in respect of designated investment business or ancillary services carried on by the Firm for its clients to ensure that they meet the FCA requirements and, in particular, that where necessary customers are provided essential terms of such arrangements in sufficient detail to enable the customer to tie in the disclosure to the services provided to him and to take a decision as to whether to request further/full information regarding the Inducement. The information provided will detail the existence, nature and amount of the fee or benefit or, where the amount cannot be ascertained, the method of calculating that amount.

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Appendix B

Service on Boards of Directors and Outside Activities

Service on boards of directors of outside companies, as well as other outside activities generally, could lead to potential conflicts of interest and insider trading problems, and may otherwise interfere with your duties to the Firm. Accordingly, WMBA Limited's personnel may not serve as a director of an outside company (or in a similar role for an unincorporated entity) without prior approval from WMBA Limited Governing Body.

If you desire to serve as a director of an outside company, you must notify [\[the Compliance Officer\]](#) and before accepting the position. In addition, if service as an outside director is approved and unless otherwise agreed by Senior Management in a particular case, you must pay, assign or transfer to the Firm all compensation and other financial benefits related to or arising out of such service in recognition of the reduction of your business and professional time that would otherwise be devoted to the Firm. Any employee serving as a director of a public company (or a private company that is about to go public) may be required to resign or comply with other controls as may be appropriate.

All new hires must (a) promptly disclose any pre-existing board memberships to [\[the Compliance Officer\]](#), (b) obtain approval from WMBA Limited Governing Body if they wish to continue such membership, and (c) comply with any conditions placed on them to control or eliminate potential conflicts of interest. The foregoing restrictions do not apply to service on the board of a charitable organization or the board of another group company.

With respect to other outside activities:

- You may not be employed by, or accept any form of compensation from, any other person as a result of any business activity (including consulting engagements, paid positions with governmental or charitable organizations and part-time, at-home ventures such as multi-level marketing programs or freelance software development) outside the scope of your relationship with the Firm, without the prior written approval of a Senior Manager.
- You may not raise money or participate in the raising of money for any company, individual or other business venture, except with respect to charitable or educational organizations, without the prior written approval of a Senior Manager.
- You may not form or participate in any stockholders' or creditors' committee, except as part of your responsibilities to the Firm, without the prior written approval of a Managing Director.

A copy of any such written approval should be forwarded to [\[the Compliance Officer\]](#).

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Appendix D

Remuneration Arrangements

The Firm has in place an Audit and Remuneration Committee terms of reference which sets out the Firm's arrangements to ensure that its compensation arrangements will not give rise to conflicts of interest between the firm, its employees and its clients.