

Summary of Conflicts of Interest Policy

We have set a policy on the management of conflicts of interest with the objective of taking all reasonable steps to identify and manage conflicts that may arise, which might result in a material risk to the interests of our clients.

Our approach has been to identify those aspects of our service, including how we interact internally and with our third party suppliers, which could result in a conflict between your and our interests, or between the interests of different clients.

On the page overleaf is a summary of those types of conflicts and the way we manage them. In all cases we believe that our current organisational arrangements, systems and controls provide an effective way of preventing your interests being unfairly affected.

Decision Criteria for Dealing

All client orders are dealt in a timely manner and in fair and due turn. No unfair priority is given to orders from other clients or colleagues.

Confidentiality and Protection of Inside Information

We operate information barriers which limit the flow of potentially price sensitive information between colleagues. Our internal dealing rules prevent colleagues in possession of price sensitive information from taking advantage of that information by dealing in the respective security, or arranging for someone else to do so on their behalf.

Organisational Arrangements

The organisational structure we have implemented provides for the segregation of duties and so prevents conflict arising through inappropriately apportioned roles and responsibilities by ensuring that no one individual can exercise inappropriate influence over a particular process.

The dealing arrangements for personnel of key service providers can be relevant to our conflict management responsibilities. Potential conflicts are controlled in these circumstances through the use of contractual provisions together with regular monitoring of the dealing arrangements of the staff of these providers.

Personal Conflicts

Contracts of employment prevent colleagues from accepting roles or directorships with companies outside our Company, including those with whom we have commercial relationships, unless prior approval has been received from the CEO.

We are mindful that a conflict may arise should colleagues have other business interests which involve clients who are also our clients, or which conflict with their duties to Direct Sharedeal. Potential conflict may in theory also arise where our colleagues have friends and relatives who are clients of Direct Sharedeal. To overcome this type of potential conflict we have specific internal controls and dealing arrangements which also comply with FSA rules.

We do not display preference to any client, group of clients or clients who are also colleagues, over another in the provision of our dealing and safe custody services.

In addition to the above, colleague bonus and remuneration arrangements are carefully considered to ensure that conflicts do not inadvertently arise through inappropriately set targets. Furthermore, an internal Whistleblowing Policy is in operation which affords colleagues a high level of protection should they report any wrongdoing by others.

Selection of Suppliers

We prevent conflicts arising regarding the selection of suppliers by refusing to accept or provide fees, commissions and non-monetary benefits which do not directly enhance the service offered.

Any personal relationships are disregarded in the selection of service providers, agents, third party suppliers, distributors and equity partners to prevent inappropriate selection.

Commission and Income Disclosure

We earn income from:

- commissions and fees we charge to you;
- interest we earn on monies held pending investment or in the course of settlement; and
- when carrying out a trade in a collective investment, such as a unit trust or OEIC, the product provider may pay us an annual commission while you continue to hold the investment and in some circumstances an initial commission following completion of your investment. These payments, where received, allow us to waive the transaction charges and, in some cases, the account charges that we would normally levy.

The charges that we make and the interest rates that we pay on balances held are detailed in our brochure and our website.

In some cases, dealing charges which we apply to our trades may be shared with third parties. We will not show details of any remuneration or sharing arrangements of this kind on your contact note but, if you ask us to, we will make them available to you. In any case you will not be liable to pay more commission than is disclosed in our brochure.

We acknowledge that gifts and entertainment arrangements common in the stockbroking industry, may give rise to adverse influence. We address this by limiting the receipt of gifts/entertainment to that of a non-material nature.

Summary

The above summary reflects our detailed Conflicts of Interest Policy that is in place to ensure fair treatment for our clients through the effective management of potential conflicts. We are not aware of any further material conflicts of interest. A full copy of the Conflicts of Interest Policy is available on request.

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