



Freight Investor Services Limited

Conflicts of Interest Policy

1.1 Purpose

Freight Investor Services Limited ("**FIS**", "**We**", "**Our**" and "**Us**") is an investment firm regulated by the Financial Conduct Authority ("**FCA**"). We are authorised to arrange transactions and provide investment advice in connection with certain regulated products (Our "**regulated business**"). In the course of carrying out Our regulated business, FIS and its staff face actual and potential Conflicts of Interest (as defined below). FIS is committed to acting with integrity and maintaining the highest professional standards and principles in providing services to its Clients. The interests of Our Clients must always come ahead of Our own.

FIS conducts its business in accordance with the FCA's Principles for Business, including Principle 8, which requires an investment firm to manage conflicts of interest fairly, both between itself and its Clients and between one Client and another. Further rules relating to conflicts of interest are contained in the Markets in Financial Instruments Directive II¹ ("**MiFID II**") and the MIFID II Delegated Regulation² (the "**MiFID II DR**"). Rules in MIFID II and the MiFID II DR require FIS 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 Clients³.

The purpose of this Policy is for FIS to describe the key principles of Our policy in relation to the identification, management and monitoring of Conflicts of Interest.

This Board of Directors of Freight Investor Services Limited (the "**Board**"), which has delegated its authority to the Risk Committee within FIS, is responsible for ensuring that FIS's systems, controls and procedures are adequate to identify and manage Conflicts of Interest. This Policy has been approved by the Board and applies to all FIS Relevant Persons (as defined below).

1.2 Definitions used in this Policy

In this Policy:

"**Affiliate**" means all persons Controlled by, or under common Control with, FIS, including:

- (a) the Freight Investor Services Ltd branch offices in the following locations in the USA:
 - (i) 500 East Kennedy, Tampa, FL 33602;
 - (ii) 7280 NW 87th Terrace, Kansas City, MO 64153; and

¹ EU Directive 2014/65/EU of 15 May 2014

² Commission Delegated Regulation (EU) 2017/565 of 25 April 2016

³ Article 16(3) MiFID II

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- (iii) 2777 Summer Street, Suite 209a, CT 06905,
 - (b) Freight Investor Services PTE Limited (Singapore) registered in Singapore with company number 200603922G, whose registered office is at 6 Battery Road, #24-04, Singapore, 049909;
 - (c) Freight Investor Services Shanghai registered in Shanghai with company number 91310000053045536X, whose registered office is at Room 734-N, No.710, Siping Road, Hongkou District, Shanghai;
 - (d) Freight Investor Services India registered in India with company number AAEECC6786GSD002, whose registered address is 8th Floor, Reliable Tech Park, Gut 3, NAVI MUMBAI, Maharashtra, PIN- 400708; and
 - (e) Freight Investor Solutions DMCC registered in Dubai with registration number DMCC1225 whose registered office is at Unit 306, Platinum Tower, Cluster I, Jumeirah Lakes Towers, Dubai, United Arab Emirates and the associated offices of such companies.

"Clients" include:

- (a) existing clients of FIS;
- (b) potential clients (where FIS is seeking individually to enter into a contractual relationship in respect of regulated business services); and
- (c) past clients where fiduciary or other duties remain in place.

"**Conflict of Interest**" means a personal or professional conflict of interest arising or likely to arise in the course of Us providing investment services to Our Clients which may benefit a FIS Relevant Person (or another Client for whom We are acting) while damaging or potentially damaging one or more other Clients' interests (where We owe a duty of care to such other Clients).

"**Control**" means having the power to influence, directly or indirectly, through ownership, voting shares, contract or otherwise.

"**FIS Relevant Person**" means Ourselves, Our Affiliates, Our Staff and the Staff of Our Affiliates.

"**Staff**" shall include officers, managers, employees, tied agents and other persons controlled by FIS or Our Affiliates.

1.3 General Principles

The key principles of Our policy relating to Conflicts of Interest are as follows:

A. Identification of Conflicts of Interest

We will take all appropriate steps to identify and to prevent or manage Conflicts of Interest between a FIS Relevant Person and its Clients or between Clients that arise in the course of providing Our regulated business, including



Conflicts of Interest caused by the receipt of inducements from third parties or by the firm's own remuneration or incentive structure⁴.

For the purposes of identifying Conflicts of Interest, in particular, We will take steps to identify whether any FIS Relevant Person:

- (a) is likely to make a financial gain, or avoid a financial loss, at the expense of the Client by the provision of the relevant services⁵;
- (b) has an interest in the outcome of the relevant services provided to or to be provided to the Client or of a transaction carried out or to be carried out by Us on behalf of the Client, which is distinct from the Client's interest in that outcome⁶;
- (c) has a financial or other incentive to favour the interest of one Client or group of Clients over the interests of another Client⁷;
- (d) carries on the same business as the Client⁸;
- (e) receives or will receive from a person, other than the Client or a person on behalf of 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 service⁹; or
- (f) is in possession of information obtained in the ordinary course of its business which would benefit a FIS Relevant Person, or a Client, but such information is not publicly known.

FIS maintains a Conflicts of Interest Register which details the specific conflicts identified within each area of the business; all of which fall within one of the above types of Conflicts of Interest.

We have appointed a "compliance officer" who is responsible for recording all identified Conflicts of Interest in Our Conflicts of Interest Register

B. Management of Conflicts of Interest

We must manage Conflicts of Interest fairly. In order to discharge Our obligations with respect to Conflicts of Interests, We implement, operate and maintain effective internal organisational and administrative procedures.

In relation to the identification and management of Conflicts of Interest We will consider issues such as:

⁴ Article 23(1) MiFID II

⁵ Article 33(a) MiFID II DR

⁶ Article 33(b) MiFID II DR

⁷ Article 33(c) MiFID II DR

⁸ Article 33(d) MiFID II DR

⁹ Article 33(e) MiFID II DR

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- (a) the risk that a Conflict of Interest may adversely affect the interests of a Client, a group of Clients, or all of Our Clients;
 - (b) the nature, scale and complexity of Our business in the UK and internationally; and
 - (c) the nature and range of products and services offered in the course of Our business. As a minimum, FIS has in place procedures and arrangements designed to ensure:
 - (a) the flow or exchange of information between FIS Relevant Persons engaged in activities involving a risk of a Conflict of Interest where the exchange of that information may harm the interests of one or more Clients is controlled or prevented¹⁰;
 - (b) the separate supervision of FIS Relevant Persons whose principal functions involve carrying out activities on behalf of, or providing services to, Clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of FIS Relevant Persons¹¹;
 - (c) FIS's remuneration or incentive structure is designed and managed in a manner that addresses the need to manage Conflict of Interests, including the removal of any direct link between the remuneration of Relevant Persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a Conflict of Interest may arise in relation to those activities.¹² All relevant Staff who could be exposed to a scenario giving rise to a Conflict of Interest are paid a basic salary including those in key support areas such as Compliance, Business Development, Operations and Finance. This salary is not dependent on company performance. A discretionary bonus structure does exist which is linked to a variety of factors, including individual and company performance. Payment and value of any such bonuses is at the discretion of management and notified to individuals only on payment;
 - (d) there are effective procedures in place to prevent or limit any person from exercising inappropriate influence over the way in which a FIS Relevant Person carries out investment or ancillary services or activities¹³; and
 - (e) there are effective procedures in place to prevent or control the simultaneous or sequential involvement of a FIS Relevant Person in separate investment or ancillary services or activities where such involvement may impair the proper management of Conflicts of Interest¹⁴.

¹⁰ Article 34(3)(a) MiFID II DR

¹¹ Article 34(3)(b) MiFID II DR

¹² Article 34(3)(c) MiFID II DR

¹³ Article 34(3)(d) MiFID II DR

¹⁴ Article 34(3)(e) MiFID II DR

C. Examples of Potential Conflicts of Interest¹⁵

Examples of potential scenarios that could arise for FIS Relevant Persons that could create a Conflict of Interest, and ways FIS manages this, include:

<u>Example of Potential Conflict</u>	<u>How Potential Conflict is Managed</u>
1. Different Clients of FIS place competing or opposite orders in the same or related products	In order to prevent the preferential treatment of certain Clients and to ensure all such Clients receive as fair treatment as possible, all orders are required to be handled in accordance with the FIS Order Execution Policy. This requires Staff to take all sufficient steps to achieve the best overall trading result for customers; to carry out comparable client orders sequentially and promptly and to exercise consistent standards across all markets, Clients and financial instruments.
2. A FIS Relevant Person has an interest in a certain financial instrument that is contrary to the interest of one or more Clients	All of Our Staff are required to comply with the Personal Account Dealing Policy, and are required to attend annual training and are subject to ongoing compliance monitoring with respect to personal account dealing, market abuse, bribery laws and other applicable laws. We provide training to Our employees to assist them to identify potential Conflicts of Interest.
3. An execution venue offers a FIS Relevant Person payment or other inducements to direct certain orders to their execution venue	FIS does not accept payment for order flow or other inducements where this could create a Conflict of Interest. Where FIS receives any third party payments or benefits, FIS will make the appropriate disclosures to Clients in a comprehensive, accurate and understandable way and in accordance with applicable laws. ¹⁶
4. A Client or other person offers potential gifts or benefits to Our Staff.	To ensure transparency and avoid any Conflicts of Interest arising, FIS has a 'Gifts and Entertainment' policy that sets out parameters as to the types and value of gifts that can be accepted, when and by whom. Our Staff are not allowed to accept gifts, entertainment or any other benefit or inducement from any person which might be construed as benefiting one Client to the detriment of another Client.
5. Confidential Information regarding a Client or a	To manage such scenarios, there is a requirement for

¹⁵ Article 34(2) MiFID II DR

¹⁶ Article 24(9) MiFID II

potential transaction could be known to one division or department within one FIS Relevant Person, which, if known to a wider group of FIS Relevant Persons, could impact the trading decision of another Client.

divisions and departments within FIS Relevant Persons to operate with appropriate independence from each other. Where appropriate, FIS structures its business to manage Conflicts of Interest through the maintenance of information barriers ("**Chinese Walls**"). These are designed to restrict information flows between different divisions and departments and within and between FIS Relevant Persons. Such measures have been put in place to enable FIS Relevant Persons to carry out business on behalf of Clients without being influenced by information held by other FIS Relevant Persons that may give rise to a potential Conflict of Interest.

D. Disclosure of Conflicts of Interest

In certain exceptional circumstances, and as a measure of last resort, where FIS is unable to manage a Conflict of Interest or where, despite FIS's best endeavours, it is unable to prevent a Conflict of Interest arising, as permitted by FCA rules, disclosure to an affected Client may be made in order to seek Client consent to continue to conduct business on the Client's behalf. Such a disclosure will provide a specific description of the Conflict of Interest, the general nature, and sources of, the Conflict of Interest, the risk to the Client and the steps taken to mitigate the risk, so as to enable the Client to make an informed decision regarding whether to consent to FIS continuing to conduct business on its behalf. In such circumstances the Client's consent to act must be received in writing. Any such disclosures will be made to Clients prior to conducting business on their behalf¹⁷.

E. Declining to Act

Where FIS considers it is not able to manage the Conflict of Interest in any other way, it may decline to act for a Client.

¹⁷ Article 34(4) MiFID II DR