

# **Conflicts of Interest Policy**

## **Definitions**

“Relevant persons”: include Spectron's management and employees and persons to whom the firm has outsourced services.

## **Introduction**

Spectron's main activity is the provision of execution services for Market Counterparties and institutional clients on the Oil, Gas, Electricity, LME and other energy-related markets.

This policy sets out key areas where Spectron may be subject to a conflict of interest in the provision of services to our clients whilst carrying out regulated or ancillary activities. The policy covers those circumstances which either constitute or could give rise to a conflict of interest entailing a material risk of damage to the interest of one or more clients.

Spectron is part of the Spectron Group and the policy also takes into account circumstances which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the Spectron Group.

The policy describes the structures Spectron has put in place to limit the consequences of conflicts of interest.

## **Circumstances constituting Conflicts of Interest**

### *Gifts and entertainment*

Substantial gifts or entertainment provided to some clients being provided with a better service than others might give the appearance of conflicts.

### *Personal Account dealing*

Personal account dealing by employees may lead to conflicts with client

## **Procedures and measures taken to manage conflicts**

The procedures and measures we have taken to manage the conflicts of interest identified above are summarised below. These procedures and measures are designed to ensure that the relevant persons involved in business areas identified above maintain an appropriate degree of independence.

### *Gifts and entertainment*

The firm operates a strict policy in relation to gifts and entertainment which is set out in the compliance manual and covers annual receipts and donation of gifts. All entertainment and gifts given are recorded and subject to periodic review by the Compliance officer.

### *Personal Account Dealing*

Spectron has strict personal account dealing procedures in place. Staff are required to seek the prior consent of the Compliance Officer all personal account transactions in related markets or the securities of clients. Further details in respect of Personal Account Dealing are set out in the Personal Account Dealing Notice, which is given to employees at the start of their employment.

### Conflicts Monitoring Systems

Senior Management have an ongoing obligation to monitor the business to ensure that any new conflicts of interest that may arise are documented and controls are put in place to manage them. As such, any changes to the business are addressed at Board level and Compliance is involved at the outset. This means that any potential conflicts that may arise can be addressed and appropriate procedures put in place to prevent them arising.

When taking on new clients the question of conflicts is specifically addressed. In addition, the review of conflicts of interest is included in the annual monitoring programme.

### Reporting lines

Reporting lines are designed to avoid any conflicts arising.

### Remuneration Structures

Remuneration policies are designed to avoid rewarding behaviour that could lead to the disadvantage of clients. There is no direct link between the remuneration of the trading staff and specific transactions. Each department's remuneration is decided separately except that all staff remuneration is linked to the general profits of the firm.

### Training

All staff have received training on the procedures Spectron has put in place to manage conflicts of interest.

### Recording Conflicts

Spectron is required to keep a record of the kinds of services or activities in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen, or may arise. This record must be kept up to date.