

NEW STREET RESEARCH LLP

INVESTMENT RESEARCH POLICY OF INDEPENDENCE AND CONFLICT MANAGEMENT

SUMMARY

INTRODUCTION

New Street Research LLP (“New Street”) conducts its business in accordance with the highest standards and has implemented detailed procedures to ensure that its independent investment research is not influenced by other New Street Group business activities.

As part of its policies and procedures New Street has put in place a detailed Conflicts of Interest Policy that provides all employees with information on how New Street identifies and manages actual and potential conflicts of interest. The Conflicts of Interest Policy includes detailed procedures to identify and manage conflicts in respect of the preparation and dissemination of investment research. This summary provides information about these arrangements.

SCOPE

Independent Research

New Street primarily produces and disseminates Independent Investment Research as defined in the FCA Handbook - Chapter 12.2 of the Conduct of Business Sourcebook.

Non-independent research

On rare occasions New Street may also issue research which has been sponsored by a company. Such research will be prepared to the same standard of objectivity as our independent research but to avoid confusion it will in all cases be treated as a marketing communication and clearly marked as non-independent research.

ORIGINATION AND PUBLICATION PROCEDURES

New Street has put in place the following procedures to ensure that the distribution of its Independent Investment Research and other research communications (collectively “Research Communications”) meet the FCA requirements by ensuring that any potential Conflicts of Interest are properly and appropriately managed.

New Street’s policy is to ensure that all statements by its analysts that are new or material are disseminated to clients in accordance with these procedures.

A research analyst may discuss his or her published views on the sector and on other companies in the sector. This may include approaches to valuation, multiples, ratings and spreads for the sector and peer group companies and hypothetical valuations, multiples, ratings or spreads derived from them.

Distribution of our published research to clients is coordinated so as to ensure that research reports are distributed to all recipients at the same time subject to any IT system or other restrictions/constraints beyond the control of New Street.

INDEPENDENCE POLICY

All New Street employees must disregard any arrangement or interest which is likely to influence the content of the firm's investment research.

If any employee believes his independence is compromised, he must not continue in his duties until the situation has been discussed with the Compliance Officer.

In a particular case, New Street may be required to consider taking other steps, such as specific disclosure. An employee is required to consult the Compliance Officer if he considers a conflict of interest or a material interest is involved.

STANDARDS FOR FAIR PRESENTATION OF INVESTMENT RECOMMENDATIONS

New Street applies the following standards in the presentation of its investment recommendations:

- All research communications clearly differentiate between factual information and interpretations, estimates, opinions or any other non-factual information.
- New Street will only quote reliable sources - if there is any concern regarding the reliability of a source then this will be clearly indicated.
- All projections, forecasts and price targets are clearly labelled as such and any material assumptions made in producing or using them are indicated.
- The substance of any research recommendations shall be capable of scrutiny and substantiation.
- All substantially material sources of information are clearly and prominently indicated.
- Any valuations or methodologies used to evaluate a security or company, or to set price targets shall be adequately summarised.
- If the research recommendation differs from an earlier recommendation issued during the preceding 12-month period, the change and the date of the earlier research recommendation shall be indicated clearly and prominently.

The above requirements may be modified for non-written research recommendations to the extent that they would be disproportionate, when it may be stated where the material sources used can be accessed.

MANAGING RESEARCH CONFLICTS

Identifying Research Conflicts

New Street has in place procedures to identify and manage potential conflicts arising from the publication of research. Internal guidance is provided to all personnel to ensure that they are aware of how conflicts of interest may arise and to ensure that analysts understand the Firm's, and their own, obligations in relation to the management of conflicts of interest. These conflicts can arise in respect of corporate finance clients, investor clients and the interests of New Street's officers and employees. We have detailed below how the Firm seeks to manage these conflicts.

Procedures for managing conflicts of interest related to the production of investment research reports

New Street will not publish both independent investment research and non-independent research on a particular company or investment. It may however occur that New Street's relationship to a particular company or investment may change and that this will in turn lead to a change in the status of the research that the firm publishes. For example, New Street may publish independent investment research on a company that it has no relationship with, but if that company subsequently becomes a corporate client of the New Street Group, all further research on it will be considered as non-independent. Any such change in the status of the relationship shall be clearly disclosed in the research material and approved by Senior Management and noted on the Conflicts Register prior to entering into the new business relationship.

Chinese Walls

New Street has implemented information barriers to regulate the unauthorised flow of inside information within the Group between Corporate Finance services provided by New Street Capital Markets Ltd and Investment Research provided by New Street LLP.

These procedures include:

- Training, to emphasise the importance of not improperly or inadvertently divulging confidential information.
- Detailed procedures for dealing with a situation where there is a need for a Chinese Wall to be crossed and when it has occurred that proper records are maintained.
- Regular monitoring to ensure that the effectiveness of the Chinese Wall is maintained.
- Disciplinary sanctions are imposed where there has been a breach in a Chinese Wall.

Where the Firm has a conflict of interest arising between its own interests and those of its client or between two clients - for example, where it has information about one client which it would otherwise be required to use to the benefit of another client - these Chinese Wall arrangements allow the Firm to control the use of that information. In addition, on the basis that these Chinese Wall procedures are effectively maintained, knowledge which is held by one individual within the Firm will not be attributed to other persons within the Firm where any of the FCA Conduct of Business rules apply on that basis that the Firm has acted with knowledge.

Research Coverage

New Street does not offer or promise independent investment research coverage to a client under any circumstances. Research coverage decisions are made by the Head of Research.

Reporting lines and remuneration

Research analysts are supervised by and report directly to the Head of Research. Decisions on coverage, content and timing of investment research are made by the Head of Research.

Research analysts' remuneration is not directly linked to specific transactions, but related to the firm's overall result and the analyst's individual performance.

Wall Crossing Procedures

New Street has implemented clear wall-crossing procedures in respect of the receipt of non-public information by any employee, including investment research analysts. Where an analyst has access to non-public market sensitive information, the analyst is prohibited from subsequently publishing or disseminating research recommendations or opinions on such company unless and until such public information is in the public domain.

Personal Account Dealing

New Street operates a strict staff personal account dealing policy. As part of this policy, Research analysts are prohibited from undertaking transactions for their own account or for the account of relevant persons, as defined in the FCA Rules and set out in the Personal Account Dealing Policy, in investments that relate to the industry or business sectors on which New Street publishes research. This includes any financial instruments such as derivatives for which the price is closely affected by price movements in such securities.

Inducements

New Street does not offer or agree to provide favourable research on any on any company or security, nor to make or change any particular recommendation. New Street analysts are prohibited from soliciting or accepting any inducement to publish or change any opinion or recommendation or from offering, soliciting or accepting any inducement or incentive for the provision of favourable research. If an analyst is offered such an inducement or incentive they are required to report this immediately to the Head of Research and to the Compliance Officer.

Analysts are permitted to accept nominal gifts and ordinary business entertainment in accordance with the Firm's formal policies on the receipt of gifts and entertainment. A company covered by an analyst may offer to pay reasonable expenses for a visit to its business premises and offer reasonable hospitality during such a visit; this will not be regarded as an inducement provided that it meets the Firm's general policies in respect of gifts and entertainment and has been approved by the Head of Research and the Compliance Officer in advance.

Outside Business Interests/Activities

In order to prevent research analysts from being, or being perceived to be influenced by their outside business interests, New Street requires all employees, including research analysts and closely linked persons, to obtain prior permission to engage in any outside business activity or interest. On an annual basis, all employees are required to provide details of any changes to outside interests or directorships or to confirm that there have been no changes in the past twelve months. An analyst (and any members of the analyst's household) may not serve as an officer, director, employee or advisor to a company in the sector/industry which the analyst covers.

Dissemination of Research

Research reports are made available to all relevant recipients at the same time. New Street operates strict controls to avoid any conflicts of interest from such briefings details of which are set out the Origination and Publication section above. Issuers may be permitted to review investment analysts'

investment research prior to publication for review of factual accuracy only. Under no circumstances must the Issuer be informed of the Analyst's recommendation or valuation and the Executive summary, recommendations, valuation, target price and fair value is removed from any draft sent for review. Any factual changes made by the issuer will be tracked and require the approval of the Head of Research. Investment research prepared and disseminated by New Street is not intended for Retail Clients as defined in the FCA Rules. Dissemination of research is monitored to ensure that it is only provided to Professional Clients.

Involvement of analysts in other activities

Investment analysts are restricted from roles which could prejudice, or appear to prejudice, the independence of their research or conflict with their duties to the recipients of their research, but are otherwise free to use their expertise for the benefit of New Street's clients.

New Street's policy does not permit:

- Using an investment analyst in a marketing capacity if this would give a reasonable perception of lack of independence in the analyst's research.
- An investment analyst to act in a way which could reasonably appear to be representing the issuer of a relevant investment, for example at road shows relating to issues or allocations of investments.

Research analysts may become involved in activities where New Street is satisfied that the activity will not affect the independence of the research produced by the analyst and that any potential conflict of interest has been appropriately dealt with. Any interaction by analysts with clients is limited to providing the clients with informed and impartial research opinions.

On occasion, analysts may assist the Corporate Finance team in conducting due diligence/analysis of a potential corporate finance client. This assistance may include attendance at meetings with the client, attendance at internal meetings to discuss the Corporate Finance assignment, and the provision of ongoing analysis and views. Such participation is only permitted where the Analyst has been formally "wall-crossed" under New Street's Corporate Finance procedures.

At all times, analysts are required to avoid breaching any confidential information relating to clients or research activity. All analysts when submitting research for publication are required to provide an internal certification that neither the views expressed in the research, nor the timing of the publication of the research has been influenced by any knowledge of client's positions and that the views expressed in the report accurately reflect their personal views about the investment and issuer to which the report relates and that no part of the analyst's remuneration was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

New Street does not preclude its research analysts from maintaining an active dialogue with clients and corporates, provided that they do not disclose the timing or content of forthcoming research reports or disclose or receive material non-public information that is not in accordance with New Street's wall-crossing procedures.

New Street's policy is to ensure that all statements by its analysts that are new or material are disseminated in accordance with these procedures

Required Research Disclosures

The FCA Rules prescribe the disclosures required when publishing Research Recommendations. Chapter 12.4 of the Conduct of Business Sourcebook implements Article 20 of the Market Abuse Regulation (MAR). The detailed rules are set out in Annex XV of the ESMA technical standard for the MAR. New Street has implemented a standard form which is included for all Research Recommendations. These include:

1. The identity of the analysts responsible for the research report including job titles and the name of the firm.
2. All substantially material sources are indicated, including, if appropriate, the issuer, and in particular the research recommendation indicates whether the research recommendation has been disclosed to that issuer and amended following this disclosure before its dissemination.
3. Any basis of valuation or methodology used to evaluate a security, a derivative or an issuer, or to set a price target for a financial instrument, is adequately summarised.
4. The meaning of any recommendation made, such as "buy", "sell" or "hold", and the length and time of the investment to which the research recommendation relates, is adequately explained and any appropriate risk warning, including a sensitivity analysis of the assumptions, is indicated.
5. Reference is made to the planned frequency of updates of the research recommendation and to any major changes in the coverage policy previously announced.
6. The date and time at which the production of the research recommendation was completed and when it was first released for distribution is indicated clearly and prominently, as well as the relevant date and time for any financial instrument price mentioned.
7. If the substance of a research recommendation differs from the substance of an earlier research recommendation, concerning the same financial instrument or issuer issued during the 12-month period immediately preceding its release, this change and the date of the earlier research recommendation are indicated.
8. Disclosure of any relationships and circumstances that may reasonably be expected to impair the objectivity of the research recommendation, in particular a significant financial interest in any relevant investment which is the subject of the research recommendation, or a significant conflict of interest with respect to a relevant issuer.
9. Any interests or conflicts of interest of the firm or of an affiliated company that are accessible, or reasonably expected to be accessible, to the persons involved in the preparation of the substance of the research recommendation; and
10. Any interests or conflicts of interest of the firm or of affiliated companies known to persons who, although not involved in the preparation of the substance of the research recommendation, had or could reasonably be expected to have access to the substance of the research recommendation prior to its dissemination, other than persons whose only access to the research recommendation is to ensure compliance with relevant regulatory or statutory obligations, including the disclosures required under this section.
11. Any financial interests that the firm or its affiliates may have in relation to the company that is the subject of the research.

Monitoring

The effectiveness of the Investment Research policy and procedures is monitored by the Compliance Officer as part of the Company's regular compliance monitoring programme. The policy is reviewed periodically and no less than annually, to ensure that it continues to meet New Street's regulatory and compliance obligations.