

## Conflicts of Interest Policy Statement

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### 1. Introduction

Cantor Fitzgerald Europe Limited (“CFE”, “we”, “the Firm”) is authorised and regulated by the Financial Conduct Authority (FCA) and is defined as an investment firm under the Markets in Financial Instruments Directive 2014/65/EU (“MIFID”) and successor legislation in the UK. CFE is required to maintain and operate effective organisational and administrative arrangements in order to prevent conflicts of interest from adversely affecting the interests of its clients. CFE has put into place policies and procedures to identify, to prevent and to manage actual and potential conflicts of interest between the Firm and its clients, and between CFE’s clients in relation to regulated activities and services. This includes investment and ancillary services.

Cantor Fitzgerald Europe Limited (“CFE” or “the Firm”) is committed to treating its customers fairly by identifying, preventing, monitoring and managing all actual and potential conflicts of interest that could arise in the course of our business with you.

### 2. Scope

Our Conflicts of Interest control framework applies to all employees, businesses and functions across the Firm and also applies to any third parties or contractors who act on CFE’s behalf.

### 3. What is a conflict of interest?

A conflict of interest can be described as a situation in which someone in a position of trust has competing professional and/or personal interests which make it difficult to fulfil their duties fairly. Potential and actual conflicts of interest may arise.

Such conflicts include but are not limited to conflicts between the interests of:

- CFE and one or more clients;
- CFE employees and one or more clients;
- The group to which CFE belongs and one or more clients; or
- Two or more CFE clients

Practical examples of such conflicts might include the following:

- A CFE employee holding a professional position in a public or private company in relation to CFE regulated activities
- A CFE employee having personal financial interests with respect to a client, client acquisition target or financial instrument in relation to CFE regulated activities
- CFE distributing affiliate company research to clients which a CFE affiliate holds a principal position or makes markets in
- CFE having a principal position or is a market maker in a financial instrument traded or held by a client

- CFE acting on behalf of one client and concurrently engaging their affiliates for another business purpose
- CFE providing corporate finance advice to one client that later becomes the target of a bid and CFE concurrently seeks to act for the bidder.

As a minimum, when identifying the types of potential and actual conflict of interest that could arise, we must take into account whether CFE, the group to which it belongs, its employees, a client or persons linked to it by control:

- Are likely to make a financial gain, or avoid a financial loss, at a client's expense;
- Has an interest in the outcome of a service provided to a client or of a transaction carried out on a client's behalf, which is distinct from the client's interest in that outcome;
- Has a financial or other incentive to favour the interests of another client or group of clients over another client's interests;
- Carries on the same business as a client; or
- Receives or will receive from a person other than the client an inducement in relation to a service provided to that client, in the form of either a monetary or non-monetary benefit or service.

#### 4. Identifying conflicts of Interest

We require all employees to notify our Compliance department if they suspect a conflict of interest may arise or has arisen. Employees are aware of the types of conflicts of interest that may arise and are required to be vigilant as to where and when new conflicts of interest may occur. In addition to this, we have a number of procedures in place which are designed to facilitate the identification of conflicts of interest.

All new businesses and client engagements are considered from the perspective of potential conflicts of interest by our Business Development and Client Engagement committees respectively.

#### 5. Managing conflicts of Interest

MIFID requires that conflicts of interest are managed where possible by administrative and organisational measures rather than by means of a disclosure of the conflict to the relevant parties.

We have put in place arrangements to manage specific types of conflicts of interest including those arising in the following areas:

##### **Information Barriers**

The Investment Banking department is in possession of both inside and confidential information about actual and potential clients and their proposed transactions. A conflict of interest would arise if this information were to be made generally available to the public side of the business or their competitors. To prevent this, we have Information Barriers to regulate and restrict the flow of inside and confidential information from the private to the public side of the business. The Control Room manage and monitor these information barriers.

##### **Research**

Potential conflicts of interest could arise in relation to research, for example due to CFE personnel having foreknowledge of the content of research before it is issued, or selectively distributing research to preferred clients. Dealing ahead of research is prohibited by the Firm's procedures and is subject to monitoring by the Compliance department. The research distribution process and other controls should prevent the selective distribution of research.

CFE does not produce research on behalf of issuers.

### **Remuneration**

Remuneration arrangements could influence employees to act against a client's interests. In order to address this risk our remuneration framework is structured in a manner that encourages behaviour which is in the best interests of clients and which promotes sound risk management practices.

### **Personal Investments**

We have in place policies in relation to Personal Account Dealing (PAD), Private Investments & Outside Business Interests (OBI) that are designed to prevent conflicts arising from personal investment activities. The policy places restrictions on staff activities, requires full disclosure and requires preclearance before activities are undertaken.

### **Inducements, Gifts and Entertainment**

Inducements, gifts and entertainment have the potential to create actual, potential and perceived conflicts of interest. CFE staff are prohibited from offering, giving or receiving gifts, entertainment or other inducements to or from any party that could impair CFE's duty to act in the best interest of its clients. CFE has controls in place to govern and monitor staff activities in relation to these activities.

### **Client Order Handling, Best Execution and Front Running**

Conflicts arise if clients or CFE itself are given preference over other clients in the allocation of available stock where there is insufficient stock to settle all open trades. A conflict may also arise if we deal ahead of our clients' orders. We prohibit such practices and Compliance monitors for dealing ahead of client orders and will take appropriate action in relation to any instances of abuse, which may include disciplinary action and making a report to the FCA. Please refer to the CFE Best Execution Policy for more information.

## **6. Disclosure of Conflicts of Interest**

If the administrative and organisational arrangements put in place by us to manage conflicts of interest are insufficient to ensure, with reasonable confidence, that risks of damage to your interests will be prevented, we will consider either:

- Making a disclosure of the conflict of interest to you before undertaking business with you; or
- Declining to act for you in relation to the proposed business.

MIFID states that firms should not place overreliance on disclosure to address conflicts of interest and that disclosure must not become the default option in relation to the management of conflicts of interest.

Where we deem disclosure to be an appropriate means of managing conflicts we will disclose to you the following information:

- A statement that the organisational and administrative measures to manage or prevent conflicts of interest are insufficient to ensure that your interests will not be damaged;
- The general nature or sources of the conflict of interest, or both;
- A specific description of the conflict of interest that arises in the provision of the services to you;
- The risks or potential risks arising to you from the conflict of interest; and
- The steps taken by us to mitigate that conflict and the associated risks to you.

## 7. Declining to act

If we consider that a conflict of interest cannot be managed or prevented to ensure that you will be treated fairly, we will decline to act on your behalf. This could occur if we were already engaged by another client to carry out specific business and you approached us to act for you in relation to the same business, e.g., we would not be able to act in an advisory capacity for both the offeror and the offeree in a takeover bid.

## 8. Review of conflicts of interest

Compliance will review the Conflicts of Interest Policy at least annually to ensure that the organisational and administrative measures designed to identify, manage, control and prevent conflicts of interest are sufficient to meet regulatory requirements and to prevent damage to your interests. In the event of us making a material change to our policy and this document, we will publish the revised version of this document on our website.

## 9. Recordkeeping

We maintain records as required by MIFID and the FCA Handbook in relation to conflicts of interest including a Conflicts of Interest Policy and a Conflicts Register.

## 10. Enquiries about conflicts of interest

If you have any questions or require further clarification, please raise these with your usual business contact or the Compliance department, at [Compliance@Cantor.co.uk](mailto:Compliance@Cantor.co.uk).