

Hybridan LLP

Conflicts of Interest Policy

Introduction

Hybridan LLP ("Hybridan") is authorised and regulated by the Financial Services Authority (FSA) and is required to manage conflicts of interest fairly (SYSC 10). The FSA requires authorised firms to disclose any areas of conflicts that may affect their investment activities and services clearly. The policy below sets out the systems, controls and procedures that Hybridan has in place to manage potential conflicts of interest. Hybridan is committed to ensuring that its research is of the highest quality. We have a number of controls in place to ensure that the independence of our analysts is not compromised. We also have systems and controls in place to ensure that access to confidential and price sensitive information is restricted and that the research we produce is a true reflection of the analysts' opinion, based on his/her knowledge of both the sector and the company.

Conflicts Disclosures

Hybridan provides a number of services to a range of companies and as a result, we have commercial relationships with many of the companies that we research. Where a conflict exists, we will disclose the nature of the relationship on the published research.

All research recommendations published by Hybridan will prominently set out any major shareholdings exceeding 5% of the total issued capital of the firm, that exist between the issuer of securities and Hybridan.

Due to the nature of our business, we do not produce investment research that meets the MiFID's definition of "independent". It is therefore not prepared in accordance with the legal requirements to maintain the independence of research, and accept as described herein is not subject to the prohibition on dealing ahead of the dissemination of *investment research*. However, all research published by Hybridan will be clearly identified as a "Marketing Communication". For factual accuracy, we provide the companies we research an opportunity to review, comment upon; and amend the draft document prior to publication.

Potential conflicts

As a result of the range of investment activities carried out within Hybridan, there are a number of instances that may give rise to potential conflicts of interest within the organisation.

Agency orders are received and executed by our personnel who execute clients orders fairly and in due turn.

Analysts are not allowed to distribute Investment Research within Hybridan prior to publication to clients. In addition, there are a number of restrictions for all staff where Hybridan is due to publish research for a particular security.

Personal Account Dealing

Hybridan has a policy to restrict any personal account dealing by staff in line with FSA requirements; all staff dealing is monitored for adherence to this policy. This policy includes a restriction on staff from dealing in researched stocks in the run up to Hybridan publishing a note.. A copy of this policy is available upon request.

Gifts and Entertainments Policy

Hybridan has a policy designed to prevent all staff (including analysts) from accepting gifts or entertainments worth more than £100 without prior approval from the compliance department.

Publication of Investment Research

Where Hybridan publishes Investment Research, it does so only through its usual distribution channels to all applicable institutional clients, on a consistent basis. Our procedures ensure that the timing of research material intended for publication, is distributed to clients on an equal basis and is not distributed internally prior to client distribution.

Corporate Finance

Where Hybridan has a mandate to manage an offering of securities on behalf of a corporate client, our conflicts procedures are intended to manage the potential conflicts that may arise in relation to all clients affected by such an offering. In particular, Hybridan procedures establish a detailed process for determining the allocation and pricing policy in relation to a specific issue, in consultation with the issuer of securities.

Analysts' involvement in other areas of Hybridan business

Hybridan may in some cases use the expertise of our analysts to assist in its corporate finance activities. If an analyst comes into possession of price sensitive information, Hybridan policies are designed to prevent the analyst from issuing any research for which that information would be relevant.

Analyst remuneration

It is Hybridan's policy that research analysts' are not compensated on the basis of their involvement in specific Hybridan investment banking activities directly.

Record Keeping

Hybridan maintains a record of all activities where a conflict of interest has arisen or may arise.