

Barrenjoey<sup>®</sup>

# Conflicts of Interest Disclosure

Barrenjoey Capital Partners Group

May 2021

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## Conflicts of Interest Disclosure

### 1 Background

Barrenjoey Capital Partners Group Pty Limited (ACN 640 529 228) and its related bodies corporate, **Barrenjoey Capital Partners** or **Barrenjoey**) is an Australian full-service financial services firm operating from two licenced entities, Barrenjoey Markets Pty Limited (ACN 636 976 059 and Australian Financial Service Licence no.521800, **Barrenjoey Markets**) and Barrenjoey Advisory Pty Limited (ACN 636 976 228 and Australian Financial Service Licence no.521801, **Barrenjoey Advisory**).

This conflicts-of-interest disclosure:

- describes conflicts of interest
- provides examples of conflicts of interest that may arise in the course of Barrenjoey's business
- provides summary information about Barrenjoey's arrangements for managing conflicts of interest; and
- may be reviewed and amended at any time.

Capitalised terms are defined in the **Glossary** in section 6.

### 2 Key principles and objectives

#### Barrenjoey will have conflicts of interest from time-to-time

As a financial services firm offering a diverse range of financial products and services, conflicts of interest arise from time to time and need to be managed by Barrenjoey. Conflicts of interests include circumstances in which some or all the interests of our Clients are inconsistent with or diverge from some or all the interests of Barrenjoey or its Employees, or some or all of the interests of other Clients. Some conflicts of interest may need to be managed in an ongoing way, whilst others may be episodic or relate to a single transaction or set of circumstances, which means they can be managed as they present, with arrangements tailored to the situation or event.

#### Barrenjoey is committed to treating Clients fairly and acting in their long-term interests

This means, amongst other things, Employees should not unfairly put Barrenjoey's interests or their personal interests ahead of the interests of Clients, or unfairly put the interests of one Client ahead of the interests of another Client.

#### Barrenjoey's conflicts management arrangements

Barrenjoey has various policies, procedures, and processes in place to identify, respond to and manage actual, potential, and perceived conflicts in an appropriate and timely way. These arrangements include information barriers intended to ensure businesses within Barrenjoey operate independently when required, and that access to information, including client confidential information, is appropriately restricted and only handled on a 'need to know' basis.

#### Oversight of Barrenjoey's conflict management arrangements

Barrenjoey's conflict management arrangements are subject to oversight by Barrenjoey's Executive Committee and Barrenjoey Group entity boards. The Compliance and Anti-Financial Crime function is responsible for the maintenance of Barrenjoey's conflicts of interest policy, this disclosure document and Barrenjoey's overarching conflicts of interest management framework. Barrenjoey's businesses are responsible for maintaining complementary procedures and processes to manage conflicts of interest arising in their business.

### 3 Conflicts of interest

#### 3.1 The services provided by Barrenjoey

Barrenjoey via its operating entities Barrenjoey Advisory and Barrenjoey Markets will be involved in financial services activity including:

- providing corporate and investment advice in relation financing, mergers and acquisitions and the purchase or sale of assets

- advising on, syndicating, and underwriting, equities and fixed income securities during corporate equity and debt capital raisings
- providing research advice
- delivering execution, clearing and settlement services
- principal trading in equities and fixed income securities, interests in managed investment schemes and derivatives as counterparty, liquidity provider (market making) or in the course of risk management
- prime broking; and
- custodial and depositary services.

### 3.2 Types of conflicts of interest

In providing the above products and services, a conflict of interest might arise:

- between Clients
- between Barrenjoey and one or more Clients
- between an Employee, vendor or material shareholder and a Client
- between Barrenjoey and an Employee, vendor, or material shareholder; or
- between different business units or Barrenjoey entities.

### 3.3 Examples of conflicts of interest Barrenjoey has from time-to-time

Circumstances where conflicts of interest arise include, but are not limited to, the following - where:

- Barrenjoey Advisory is providing advice to a Client in relation to a takeover bid, corporate restructure, financing, or assisting with a capital raising, whilst Barrenjoey Markets at the same time is advising other Clients as to the advantages and disadvantages of investing in the relevant or related financial products, or buying and selling these same financial products for Clients or on a principal account
- Barrenjoey Advisory has previously provided corporate or capital markets advice to one Client that subsequently becomes the target of a takeover bid and Barrenjoey seeks to, or acts for, a bidder
- Barrenjoey Advisory provides advisory and/or financing advice to one Client in respect of an asset or transaction and seeks to provide financing services to a different Client (or Clients) in respect of the same asset or transaction
- Barrenjoey Markets has a principal holding in, or is trading, dealing, market-making, or borrowing or lending financial products at the same time as it is buying or selling the same financial products for or from a Client or Clients
- Barrenjoey Markets is providing research advice to Clients in relation to a listed entity, whilst at the same time Barrenjoey Advisory acts or seeks to provide corporate advisory or related services to the same listed entity or an affiliated entity
- Barrenjoey Markets is providing research advice to Clients in relation to a listed entity, and at the same time buys or sells financial products the subject of this advice as principal contrary to the research advice, in the capacity of counterparty, liquidity provider (market making) or risk manager; or
- Barrenjoey receives financial or other benefits from a third party and/or supplier under an agreed arrangement (for example, using a vendor's products and services; or receives trading or clearing rebates from an Exchange), whilst advising on or transacting in the financial products of the third party and/or supplier for or on behalf of Clients.

## 4 Conflicts management

Barrenjoey has arrangements in place to identify and manage (including avoiding) conflicts of interest, which include governance and supervision requirements, policies, procedures, and other controls ranging from information barriers, disclosure expectations and the systematic internal cross referencing of data and information to record and identify potential sources of conflicts of interest. The appropriate method for managing actual, potential, or perceived conflicts of

interest will depend on the facts, circumstances, and nature of any given situation, in addition to applicable commercial and/or legal requirements.

Commensurate with the provision of relevant financial services, Barrenjoey relies on a number of mechanisms to identify, monitor for, and manage conflicts of interest, including:

#### **Governance and oversight**

Barrenjoey has a governance framework that outlines the responsibilities of the Barrenjoey Group boards and Barrenjoey's committees in respect of the management of conflicts of interest, including the required levels of disclosure, transparency and oversight required for this framework to be effective.

#### **Supervision**

Barrenjoey has supervisory arrangements in place which assign responsibility for the oversight, identification, documentation, monitoring of, escalation and management of conflicts of interest to senior management as well as business and infrastructure supervisors, as appropriate. Responsibilities include:

- sponsoring and encouraging a culture that supports ethical behaviour and the fair handling of conflicts of interest;
- being engaged in the implementation of policies, procedures and arrangements for the identification, documentation, escalation, management, and ongoing monitoring of conflicts of interest;
- identifying, assessing, and managing conflicts of Interest, including via escalation; and
- determining after relevant consultation the best course of action to disclose, manage or avoid conflicts of interest.

#### **Segregation of businesses, functions and duties and information barriers**

Barrenjoey segregates its business divisions and infrastructure functions and operates an operational controls framework under 3 lines of defence model. This delivers structural and decision-making independence across Barrenjoey. Barrenjoey employs information barriers, including physical and technological segregation, to manage and restrict the flow of confidential or material non-public information between business divisions, including between its Corporate Finance (including Capital Markets), Research and Sales and Trading businesses.

#### **Compliance and Anti-Financial Crime department**

Barrenjoey's Compliance and Anti-Financial Crime department is Barrenjoey's conflicts of interest risk owner, and is responsible for (amongst other things):

- deal (transaction) logging and conflicts clearance;
- ongoing monitoring and control of transactional conflicts along with the flow of non-public materially price sensitive information within Barrenjoey (including via Barrenjoey's Restricted and Watch lists);
- personal trading and outside business activities;
- transaction and communications surveillance;
- monitoring Research independence and Research clearance;
- conflicts of Interest policy development and associated training; and
- testing and reviewing Barrenjoey's conflicts of interest related controls and processes.

#### **'Whistleblower arrangements**

Barrenjoey encourages all Employees to raise concerns and 'speak up' if something is wrong that may affect Barrenjoey, its Clients, Employees, or shareholders. Barrenjoey has whistleblower arrangements that provide Employees with an avenue to report matters, including anonymously.

#### **Deal (transaction) logging and clearance**

Before committing to any corporate advisory mandate or corporate transaction, Barrenjoey's Corporate Finance businesses are required to deal log and conflict clear the proposed activity for conflicts of interest. A conflict review across Compliance's centralised conflicts management system will take place before the execution of associated legal agreements, including engagement letters, confidentiality, and non-disclosure agreements. A conflicts review would also generally take place before the receipt of non-public materially price sensitive information from a Client.

### **Business selection processes**

Barrenjoey's Corporate Finance business selection process involves senior management from each relevant team deciding upon business opportunities they wish to pursue in light of multiple potentially available transactions. From time-to-time business selection decisions may be required to resolve a conflict of interest. In these cases, Compliance will play an active role that would also involve, where necessary and appropriate, representatives from each impacted business, Compliance and Legal so that the conflicts of interest can be resolved or otherwise managed.

### **Arrangements to ensure the independence and integrity of research**

The framework for supervision of Research staff, coverage decisions and determination of compensation are designed to protect the integrity and objectivity of Research. Policies and procedures applying to Research and other business divisions within Barrenjoey are designed to ensure that analysts producing research reports are independent and free from the influence of conflicting business interests. No one may place inappropriate pressure on a research analyst with respect to the content or timing of a research report or a public statement made by that analyst. As stated above, Compliance has responsibilities in relation to monitoring Research independence and clearing research reports.

### **Allocation practices**

Recognising that conflicts of interest may arise between a Client that is a financial product issuer, investor Clients and Barrenjoey in the context of Barrenjoey's underwriting and financial product capital raising and placement activity, Barrenjoey's policies and procedures dictate the principles to be applied in the allocation process. This is intended to ensure that Barrenjoey's syndication processes, including book building, allocations and pricing are conducted in accordance with an issuer Clients' interests. In such transactions and processes, Barrenjoey is unable to put its own interests, or the interest of investor Clients ahead of the interests of its issuer Client, or inappropriately favour one investor Client over another.

### **Client order handling**

Conflicts of interest may arise in the usual course of Barrenjoey Markets' sales and trading activity. Barrenjoey and its Employees receive, transmit, execute, and otherwise handle Client orders and may also transact with Clients as principal. Barrenjoey requires Employees to act honestly, fairly, and professionally when handling Clients' orders and has policies and processes in place (including transaction and communications monitoring) to protect its Clients' interests.

### **Gifts and entertainment**

Barrenjoey recognises that the receipt and provision of gifts and entertainment may give rise to Conflicts of Interest. Accordingly, Barrenjoey does not allow the offering or accepting of entertainment or gifts or attendance at business events unless the provision of, valid receipt of and the value of the gift, entertainment or business event is reasonable, proportionate and for a legitimate business purpose. Employees are required to obtain certain pre-approvals above certain monetary threshold levels, before giving or receiving any gift, entertainment or attending the relevant business event.

### **Vendors and third-party arrangements**

Barrenjoey's engagement with vendors and other third parties may give rise to a conflict of interest. Barrenjoey has arrangements in place to manage interactions with vendors and other third parties, including with respect to contractual arrangements and associated due diligence. If an Employee has a personal interest or relationship linked to Barrenjoey's engagement with vendors or other third parties, this is required to be disclosed. In addition, where a vendor is a Client of Barrenjoey, Barrenjoey will seek to ensure the Client and vendor relationships take place on an arms-length basis and are dealt with within Barrenjoey independently of one another.

### **Employees' personal investment and external business activities**

Barrenjoey recognises that an Employee's own interests and relationships outside of Barrenjoey can give rise to conflicts of interest. All Employees are expected to comply with internal requirements relating to the management and disclosure of personal conflicts of interest, including the logging and pre-approval of outside business activities and personal account dealing.

### **Remuneration practices**

We may choose to pay Employees in a variety of ways, including salary, bonus, equity and/or other incentive plans. Barrenjoey is aware that conflicts of interest may arise if Barrenjoey's remuneration practices incentivise Employees to act other than in the interests of Barrenjoey and its clients. Barrenjoey's approach is to manage this risk via an appropriate remuneration framework, having Employees as shareholders in Barrenjoey and by ensuring conduct and consequence management within Barrenjoey aligns remuneration outcomes to good conduct and practice.

### Conflicts of interest registers

Barrenjoey maintains registers that record the conflicts of interest that may arise or have arisen in Barrenjoey's business. This includes records of:

- Corporate Finance (including Capital Markets) transactions and proposed transactions (via 'deal' logging);
- Employee conflicts matters, including outside business activities, personal conflicts, and Employee trading;
- Conflicts identified through new business and transaction approval processes; and
- Conflicts managed in the ordinary course of our business.

### Shareholder arrangements

Barrenjoey's foundation investors are:

- Magellan Financial Group Limited (ACN 108 437 592, **Magellan**), through a wholly owned subsidiary Magellan Capital Partners Pty Limited (ACN 120 592 672), with a 4.99% voting interest and a 40% economic interest in Barrenjoey; and
- Barclays PLC, through its wholly owned subsidiary Barclays Unquoted Investments Limited, with a 4.99% voting interest and 9.99% economic interest in Barrenjoey.

Magellan and Barclays hold their investments in Barrenjoey as part of their respective Principal Investment businesses. As shareholders, Magellan and Barclays are not involved in the day-to-day management of Barrenjoey. Barrenjoey is not controlled by Magellan or Barclays.

Magellan and Barclays operate financial services businesses that are separate from Barrenjoey and each other.

Barrenjoey has no day-to-day involvement with Magellan or its asset management business. Barrenjoey does not offer financial products or services to Magellan's asset management businesses in preference to other Clients.

Barrenjoey and Barclays have entered into a co-operation agreement covering global product distribution, research, cross border corporate advisory and debt capital markets activities. In connection with this arrangement, we may share some or all of our revenues, fees and/or commissions with Barclays and Barclays may share some or all of their revenues, fees and/or commissions with us. Barclays also provides Barrenjoey Markets with significant balance sheet support for Barrenjoey to support its clients.

Barrenjoey has arrangements in place to manage any actual, potential, or perceived conflict of interest with its shareholders. These include:

- information barriers intended to ensure that Barrenjoey's business is independent from its shareholders and access to information, including client confidential information, is appropriately restricted;
- conflict clearance and business selection procedures followed prior to engaging in any joint client activity with Barclays;
- information sharing protocols for any joint business activities with Barclays; and
- fair allocations policies for capital market transactions.

## 5 Conflicts disclosure and avoidance

### 5.1 Disclosures and client consent

In some circumstances, Barrenjoey may deem it appropriate to disclose a conflict of interest. This could be driven by regulatory obligations (for example, with respect to research practices and financial product issuance); a need to protect Clients from potential damage; to make a Client aware of a conflict or potential conflict and any arrangements in place to manage a conflict; to enable a Client to assess the service to be provided by Barrenjoey; or, in light of the conflict, to obtain the Client's consent to act in the circumstances.

### 5.2 Avoidance of conflicts

In certain circumstances, including where the potential conflict cannot be adequately managed, it may be necessary for Barrenjoey to avoid a conflict altogether by not undertaking the proposed role or transaction. Barrenjoey may not be permitted to disclose the reasons why it is unable to act.

## 6 Glossary

Term	Definition
Barrenjoey or Barrenjoey Group	Barrenjoey Capital Partners Group Pty Limited (ACN 640 529 228) and its related bodies corporate, which includes Barrenjoey Markets and Barrenjoey Advisory
Barrenjoey Capital Partners Executive Committee	Barrenjoey's senior management committee which oversees Barrenjoey's businesses and operations and establishes effective sub-delegation of the day-to-day management of certain core business risks to specialist committees.
Barrenjoey Markets	Barrenjoey Markets Pty Limited ACN 636 976 059
Barrenjoey Advisory	Barrenjoey Advisory Pty Limited ACN 636 976 228
Client	Any of the following: <ul style="list-style-type: none"> <li>• an existing client of Barrenjoey</li> <li>• a potential client of Barrenjoey (where Barrenjoey is seeking to enter a relationship with the potential client in respect of services or transactions); or</li> <li>• a past client where fiduciary, confidentiality or other duties remain.</li> </ul>
Compliance	Barrenjoey's Compliance and Anti-Financial Crime department
Corporate Finance	Barrenjoey's Corporate Finance division which includes the advisory and capital markets businesses
Employee	Persons engaged by Barrenjoey as staff members on a permanent, fixed term or part-time basis.
Research	Barrenjoey Markets' research business
Restricted List	A confidential (non-public) internal list maintained and published by Compliance that includes restrictions imposed on Barrenjoey's financial services business and Employees because of Barrenjoey's involvement in corporate and other transactions or the provision of financial or corporate advice to clients.
Sales and Trading	Barrenjoey Markets' equities and fixed income businesses
Watch List	A confidential (non-public) internal list maintained by Compliance that is used to track Barrenjoey business activities that involve Barrenjoey (or part of Barrenjoey) being in possession of confidential information in relation to a material transaction, potential transaction or other activity that may be price sensitive.



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