

Macquarie

**CONFLICTS OF INTEREST
SUMMARY POLICY**

MACQUARIE EUROPE
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1 SUMMARY POLICY ON CONFLICTS OF INTEREST

As a global organisation offering a diverse range of products and financial services to its clients, the Macquarie Group may, from time to time, have interests which conflict with the interests of its clients, customers, unitholders or counterparties; it is also possible that conflicts could arise between such parties.

In accordance with both the Macquarie Goals and Values and applicable laws, regulations and principles, Macquarie is required to manage conflicts of interest fairly.

Macquarie has established a conflicts of interest policy setting out the procedures and controls which help it identify and appropriately deal with conflicts of interest - actual, apparent and potential.

2 APPLICATION

The potential for conflicts of interest to arise is a key consideration for Macquarie, and as such our conflicts of interest policy applies to all employees, (full-time, part-time, fixed term and casual employees), contractors, appointed representatives, secondees and any persons directly or indirectly linked to the Macquarie Group, regardless of location.

Macquarie means Macquarie Group Limited and each of its subsidiary entities including in Europe; Macquarie Bank International Limited, Macquarie Bank Limited (London Branch), Macquarie Capital (Europe) Limited and Macquarie Capital Funds (Europe) Limited.

3 CONFLICTS OF INTEREST IDENTIFICATION

Macquarie has systems and protocols in place to identify potential conflicts of interest. Once a conflict has been identified procedures are implemented to ensure it is appropriately managed. Situations of particular concern (although not an exhaustive list) include where the Group or an employee:

- is likely to make a financial gain, or avoid a loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, 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 the interests of the client;
- carries on the same business as the client;
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

4 POTENTIAL CONFLICTS OF INTEREST

Macquarie is involved in a wide range of investment banking activities including corporate advisory and capital markets activities, institutional stockbroking, producing and dissemination of equities research and funds management activities. Procedures are in place to manage all potential conflicts, across all businesses, globally.

The following are examples of potential conflicts that may arise as a result of the diverse nature of Macquarie Group businesses:

- we may deal, as principal or agent, or be registered as a market maker in investments that are the subject of services we provide to other clients;
- we may be a financial adviser or lending banker to an issuer of investments that are the subject of services provided to other clients;
- we may deal as agent, on behalf of a client, with a person who may be connected with us or may conduct an “agency cross” by matching client orders with orders of another party (who may be a person connected with us);
- we may make client recommendations regarding transactions in investments:
 - of a unit trust or collective investment scheme of which a person connected with us is a manager or trustee;
 - where the issuer is a person connected with us; or
 - in which we or a person connected with us has underwritten the issue;
- we may deal as agent, on behalf of a client in investments in respect of which we, a person connected with us, or another client is contemporaneously trading.

5 CONFLICTS MANAGEMENT

Macquarie has established procedures which are designed to identify and manage conflicts of interests, globally. These include a number of organisational and administrative arrangements to safeguard the interests of clients and minimise the potential for conflicts to arise.

Examples of Macquarie’s arrangements for managing conflicts include (but are not limited to):

- Arrangements which restrict the flow of confidential or non-public price sensitive information (inside information) within the Group (such as Chinese walls) including, where applicable, physical separation and system access restrictions;
- Segregation of duties and supervision for persons engaged in different business activities including procedures for ensuring appropriate communication between businesses, for example restricting communications between Research Analysts and Sales and Trading employees;
- Personal account dealing restrictions applicable to all staff, and their associates, regardless of seniority. Restrictions include pre-trade approval, minimum holding periods and the operation of staff trading-windows for Macquarie Group investments;

- A global investment research policy covering the production and dissemination of investment research by the Group. Potential conflicts are disclosed on research, where appropriate, subject to any confidentiality requirements or, in certain circumstances, may be avoided altogether;
- Maintenance of a list of restricted financial instruments that may be prone to conflicts of interest. Activities, such as principal and agency trading and production and dissemination of research may be permitted in such financial instruments, in certain circumstances.
- Gifts and personal benefits procedures including a gift register recording the solicitation, offer or receipt of certain benefits;
- External directorship policy, including the requirement for all external directorships and outside business interests to be declared and approved; and
- The provision of training to directors and employees of the Group on conflicts of interest management.

6 CONFLICTS DISCLOSURE

Where Macquarie does not consider that organisational arrangements of conflict management such as those outlined above are sufficient to manage a conflict, Macquarie may choose to disclose specific conflicts to clients and to ask for their informed consent to continue to act, notwithstanding the existence of any such conflict.

7 LIMITATION

This document is prepared and published in order to comply with the United Kingdom's Financial Services Authority rules and is not intended to create third party rights or duties or to form part of any contractual agreement between Macquarie and any client.

This policy may be reviewed and amended at any time.