Code of Ethics

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Summary

1 Introduction

High standards of professional conduct are crucial for Tendercapital's performance and reputation. In line with the European Securities and Markets Authority recommendation[1] this Code of Ethics ("Code") has been developed by Tendercapital as that part of the compliance manual which looks to maintain the firm's the integrity and credibility by setting out the rules on professional practice and an employee code of conduct.[2]

The Code is applicable to every individual and is part of the Compliance Manual which covers statutes, rules and regulations relating to the investment business of Tendercapital.

The purpose of the Code is to provide written standards that are reasonably designed to deter wrongdoing and to promote;

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interests between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that the Firm files with or submits to the FCA or other regulatory body and in other public communications made by Tendercapital.
- compliance with applicable laws and governmental rules and regulations;
- the prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and
- accountability for adherence to the Code.

Everyone involved in the regulated business is asked to use sound judgement in their business dealings and to follow not only the letter of the policies but also the spirit and intent of these policies.

Tendercapital's reputation is an important asset. To protect that reputation everyone must act with propriety and avoid the appearance of impropriety.

1.1 General requirement to comply with rules and regulations.

Tendercapital requires everyone to comply with all applicable laws, rules and regulations; including statutes, rules and regulation of the United Kingdom and the applicable EU regulations.

All employees have been furnished with copies of Tendercapital's Compliance Manual and the Code. Each employee is required to comply with the Firm's policies and procedures and they have acknowledged in writing the receipt of this material.

2 Reporting A Violation

Should any employee know or have any reason to believe that there has been a violation against the Code this must be reported promptly to the Compliance Officer, or in the case of this person's absence, to a director of Tendercapital. Failure to do so is itself a violation of this Code. When reporting a violation, the form "Rule Breach Form" must be used (this is available as one of the Appendices to the Compliance Manual).

[1] ESMA "Final Report Guidelines for the assessment of knowledge and competence" ESMA/2015/1886

[2] It should be noted that although it is not requirement to produce a Code of Ethics for FCA Firms it is globally accepted method for a firm to use a Code of Ethics. In some jurisdictions such all firms regulated by the US Securities Exchange Commission it is mandatory.

3 Confidentiality

All reports and records prepared or maintained pursuant to this Code will be considered confidential and shall be maintained and protected accordingly. Except as otherwise required by law or this Code, such matters shall not be disclosed to anyone other than the Firm's directors or Compliance Officer.

The code consolidates a number of the firm's policies into one document.

4 Conflicts of Interest Policy

4.1 Introduction

Tendercapital Limited ("Tendercapital") is authorised and regulated by the Financial Conduct Authority under number 540893, This policy sets out in summary how Tendercapital identifies, seeks to eliminate and where elimination is not possible to effectively manage and disclose conflicts. This policy is a public document and supplements further internal policies and procedures.

4.2 Basis of the Policy

Tendercapital believes the success of its business depends on clients' confidence in the integrity and professionalism of its personnel. Integrity requires, among other things, being honest and candid. Deceit and subordination of principle are inconsistent with integrity.

The FCA has a series of overarching principles that set out at a high level how firms are expected to operate. Under the FCA's Principle for Business, Principle 8 (Conflicts of Interest) Tendercapital are required to pay due regard to the interests of each client and to manage any conflicts of interest fairly, both between itself and its clients and between a client and another client[3]. The specific rules for dealing with conflicts of interest can be found under the Senior Management Systems and Controls (SYSC) section of the FCA rules.

Under the UK enactment of MiFID II[4] regulated firms such as Tendercapital are required to consider all risks rather than material risks associated with conflicts of interest. MiFID II places a greater emphasis on the management of/elimination of conflicts rather than disclosure.

4.3 What does our conflict of interest policy aim to achieve?

Identify any potential circumstance which may give rise to conflicts of interest, and which pose a material risk of damage to clients' interests:

(i) establish and maintain procedures that whenever possible prevent conflicts of interest arising;
(ii) if a conflict exists consider whether it is possible to eliminate the conflict;
(iii) if a conflict exists, establish appropriate mechanisms and systems to manage those conflicts;
(iv) maintain systems in an effort to prevent actual damage to clients' interests through the identified conflicts; and
(v) where conflicts cannot be avoided to make sufficient disclosure to the client such that the client is able to make an informed decision based on the conflict.

4.4 What is a Conflict of Interest?

Conflicts of interest appear in situations where Tendercapital:

(i) is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
(ii) 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;
(iii) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
(iv) carries on the same business as the client;

[3] The specific rules for dealing with conflicts of interest can be found under the Senior Management Systems and Controls (SYSC) section of the FCA rules.
[4] Directive EU2014/65EU

(v) manages a cost on behalf of a client e.g. if we manage investments that incur commissions or other cost which are borne by the client;
(vi) if our management or staff trade in the same or similar financial instruments as our clients;
(vii) advises you to invest in a fund managed by us; or
(viii) 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.

4.5 What do we do about conflicts?

Tendercapital has sought to identify conflicts of interest that exist in its business and has put in place measures it considers appropriate to the relevant conflict in an effort to monitor, manage and control the potential impact of those conflicts on its clients. Tendercapital monitors and regularly evaluates the adequacy and effectiveness of its systems, internal control mechanisms and arrangements in relation to conflicts of interest and will take appropriate measures to address any deficiencies.

4.6 Dealing on own account

Tendercapital does not deal on its own account. The firm is never a counterparty to any trade with a client. Tendercapital never has any positions in financial instruments we are trying to exit by selling them to a client nor are we ever trying to build up a position in financial instruments for our own benefit by buying shares or other instruments from a client.

4.7 Investment by the principals of Tendercapital alongside investment by clients

As part of our alignment of interests with our investors the principals and employees of Tendercapital make investment into funds managed by Tendercapital. With the potential exception of fees such investment is pari passu with the investment made by investors.

4.8 Conflicts between clients

Tendercapital has clear policies to deal with the potential situation whereby more than one fund may invest in any investment proposition. These policies are clearly stated in the offering documents for the funds.

4.9 Personal Account Dealing

Tendercapital operates a personal account dealing regime and the rules are signed off as understood by all relevant employees regardless of their position within the company. The policy is designed to properly avoid/manage conflicts of interest between trading by staff and trading by the firm on behalf of clients.

4.10 Investment Research and Advice Given

Tendercapital takes reasonable care to ensure that any research recommendation produced or disseminated by it is fairly presented and that all authors remain objective and impartial in all written communications. Tendercapital does not deal on the financial markets on its own account.

4.11 Receipt of services from brokers including investment research

Tendercapital assesses all services that it receives from brokers against the MiFID II inducement rules. Tendercapital operates a research payment account (“RPA”) that is fully disclosed in the offering memorandum.

4.12 Funds Managed by Tendercapital

Tendercapital manages certain funds and receives management and performance fees for doing so. A potential conflict of interest arises due to the asymmetrical impact of performance fees. Tendercapital operates a strict risk management policy that is designed to prevent excessive risk taking. Tendercapital believes that it is whilst in the short-term there is a potential conflict of interest generated by performance fees in the long-term performance fees align the interests of the firm with those of its clients and the management are committed to the long-term success of the firm.

4.13 Gifts and Entertainment

Tendercapital has strict rules regarding the receipt of gifts and entertainment. Employees are not allowed to accept gifts, entertainment or any other inducement from any person which might lead them to benefit one client at the expense of others when conducting investment business. In order to achieve this, we have a policy whereby all gifts and entertainment above pre-set limits have to be approved by the compliance officer. The compliance officer will only sanction occasional items above the pre-set limits if he is satisfied that the acceptance of the gift or entertainment does not generate a conflict.

4.14 Regulatory Walls

Where appropriate Tendercapital will manage conflicts of interest by the establishment and maintenance of internal arrangements restricting the movement of information within the Firm. This requires information held by a person in the course of carrying on one part of our business to be withheld from (or not to be used by) persons with or for whom we act in the course of carrying on another part of our business. Such an arrangement is referred to as a Regulatory (formerly "Chinese") Wall and can include hierarchical separation and physical barriers between the activities likely to involve conflicts of interest, thereby aiming to prevent any undue transmission of information.

4.15 Remuneration Policy

We have a remuneration policy that is designed to reward staff for their performance. We regard the fair treatment of clients as critical to our success and when deciding how to reward staff. The compliance of staff with our compliance processes and their commitment to the fair treatment of client are a key part of the remuneration decision.

4.16 Disclosure

As a last resort, where there is no other means of managing the conflict, or where the measures in place do not, in Tendercapital' opinion, sufficiently protect the interests of the client, the conflict of interest will be disclosed to the client to enable an informed decision to be made by the client as to whether they wish to continue doing business with Tendercapital in that particular situation.

4.17 Declining to Act

Where Tendercapital considers it is not able to manage the conflict of interest in any other way, it may decline to act for the client.

5 Gifts and Entertainment Policy

5.1 Introduction

In this policy the term "employees" includes Directors.

Gifts & entertainment may generate an actual or perceived conflict of interest. Any gift or entertainment received in the course of Tendercapital's business contact is subject to the firm's rules on gifts and entertainment as set out in this Gifts & Entertainment Policy.

As a general policy, employees should report immediately any gift/entertainment/ attempted bribe or offer of a gift/entertainment/bribe which appears to conflict in any way with any duty which Tendercapital owes to its clients or with any applicable law. If the circumstances or the propriety of a gift/entertainment/attempted bribe appear potentially improper or unclear, employees should consult the Compliance Officer for guidance.

There is a presumption that any gift/entertainment from a business contact is subject to the limitations set forth in this policy. If an employee wishes to accept a gift/entertainment from a business contact that is not in relation to Tendercapital's business (e.g., a wedding, birthday or seasonal gift) and the gift is the result of a personal relationship that has developed between the employee and such business contact, and the employee

does not wish for the gift to be counted against the thresholds (described below), the employee should consult with the Compliance Officer.

5.2 Gifts Policy

Gifts shall be taken to mean gifts of goods or money, substantial favours, discounts on goods and services and other forms of benefit or potential inducement other than entertainment which is subject to separate rules.

Promotional items of nominal value that display the offeror's logo such as golf balls, hats shirts, towels and pens are not "gifts" under this policy.

Personal gifts and other benefits should only be offered or accepted where they are clearly reasonable in the circumstances.

Gifts of cash or securities are strictly prohibited.

Except with the permission of the Compliance Officer there must be an existing relationship between Tendercapital or employees and any person offering or receiving a gift.

5.2.1 Accepting Gifts

Accepting gifts from Government Officials (including, but not limited to, employees of sovereign wealth funds) or their family members is strictly prohibited.

Employees must report gifts having a value greater than £250 to the Compliance Officer Employees may not accept gifts, either individually or in the aggregate from a business contact over any twelve-month period, having a value greater than £500. Gifts from multiple business contacts working for the same organization must be aggregated for purposes of calculating these thresholds. In the event a gift is received above this value it must be immediately reported to the Compliance Officer who will determine whether or not the gift needs to be returned or donated to charity.

5.2.2 *Giving of gifts*

Gifts to clients where the client is an individual

Gifts to a client where the relationship is directly with the client are not an inducement. Prior permission from the Compliance Officer is required for gifts to clients in excess of £100 but the size of the gift is governed by commercial factors rather than compliance factors.

Where a client is a client in a personal capacity but also acts as a fiduciary for other accounts the rebuttable presumption will be that the gift is given to the individual in their capacity of a fiduciary.

Gifts to Government Officials

Giving gifts to Government Officials (including, but not limited to, employees of sovereign wealth funds) or their family members is strictly prohibited.

Gifts to fiduciaries and other business contacts

Prior permission from the Compliance Officer is required for gifts in excess of £100.

5.3 Entertainment Policy

In the case of entertainment in order for it to be considered entertainment the person providing the entertainment must be present at the event otherwise it is deemed to be a gift. Examples of permissible

entertainment include being a guest at an occasional social event, hospitality event, charitable event, sporting event, cultural event, seminar or conference meals or events of like nature or purpose, as well as any transportation and/or accommodation accompanying or related to such activity

5.3.2 *Entertainment Received*

The receipt of entertainment shall never be a factor in the selection of any supplier or product provider.

The cost of entertainment must be estimated fairly by all employees.

Where entertainment is provided to an employee and a partner the limits below shall apply to the employee and the partner as though the total spent on the employee and the partner were spent on the employee.

Prior to an event if the entertainment received has an expected value of greater than £250 per head prior permission to attend the event must be obtained from the compliance officer.

If the expected cost per head was less than £250 but after the event the estimated cost per head was greater than £250 a report must be submitted to the Compliance Officer showing the estimated cost of the entertainment. And the reason prior approval was not sought.

Where a business contact or multiple business contacts working for the same organization have provided entertainment in excess of £500 per calendar year to an employee the Compliance Officer must be consulted before any further entertainment from the business contact is accepted.

In the event that the expected costs are below the pre-clearance limits below but after the event the pre-clearance limits below have been exceeded a notification must be sent to the Compliance Officer.

5.3.3 *Entertainment Given*

The provision of entertainment shall never be intended to induce any fiduciary to act against the interests of his clients.

Entertainment given to clients where the client is an individual

Entertainment provided to a client where the relationship is directly with the client are not an inducement. Prior permission from the Compliance Officer is required for entertainment given to clients in excess of £250 per head

Entertainment given in other circumstances

Entertainment provided to an individual who is not a client requires prior permission where the expected spend is in excess of £250 per head.

5.4 Charitable donations in a business context

When making charitable donations in a business context the spirit of this policy must be observed, that is the charitable donation must be for charitable purposes and not designed to induce any party to do business with us. Charitable donations in excess of £250 require the prior approval of the Compliance Officer.

5.5 Political donations

There is a risk that political donations by Tendercapital or by its employees can be seen as bribery or attempted bribery. In the unlikely event that Tendercapital was ever to make a political donation such donation must be approved by the Compliance Officer. When making personal political donations Employees should be alert to the risk that their donation may be seen as a means of bribery. In respect of politicians based in the United States of America there are strict rules that need to be followed. Failure to follow the rules may result in

Tendercapital being unable to obtain investment from pension funds or other investing bodies over whom officials may be deemed to have influence. No employee should make a political donation to any US public official or prospective public official in excess of USD150 without the prior permission of the Compliance Officer.

6 Anti-Bribery & Corruption Policy

6.1 Introduction

Tendercapital Limited ("Tendercapital") are authorised and regulated by the Financial Conduct Authority and so the Firm itself have an explicit legal obligation (as well as a strict FCA requirement) to have effective procedures to detect, prevent and deter financial crime which includes bribery and corruption.

Achieving the highest possible standards to maintain our reputation for lawful, ethical and honest business behaviour can only be upheld if Tendercapital follows sound and fair business practices. Therefore, the firm has a zero-tolerance position in relation to bribery and corruption, wherever and in whatever form that may be encountered both in respect of employees and in respect of any third parties that we engage who are deemed to act on our behalf.

This document is intended to clearly state the Tendercapital's policy and procedures to avoid bribery and corruption and help our people deliver the highest possible standard of service. It should be read in conjunction with the Compliance Manual.

Whilst responsibility for anti-bribery and corruption controls ultimately reside with the board, the board has delegated day to day responsibility to **Linda Garbarino.**

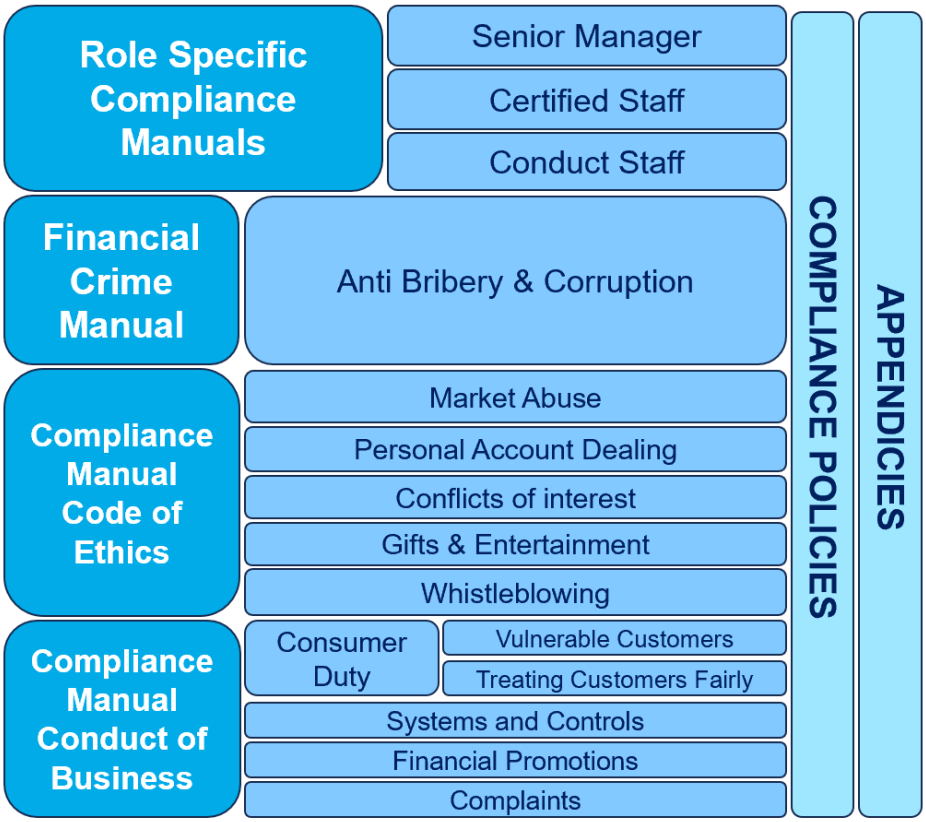
Furthermore, the individuals connected with Tendercapital business such as Board members, employees and contractors have a strict personal legal obligation (as well as being an FCA requirement) to follow the Firm's policies and procedures.[5]

In terms of Senior Management Certification Regime definitions, these policies and procedures apply to all Senior Management Functions (SMF), Certified Staff, Conduct Staff and Ancillary Staff.

This document contains "Tendercapital"'s Policy and Procedure. The policy and procedures are written to be in line with the latest legal requirements and compulsory industry guidance.

This document is part of "Tendercapital's Compliance Documentation:

[5] The criminal penalty for an individual can be up to 14 years imprisonment.



The Anti Bribery & Corruption Policy is fully supported and approved by "Tendercapital"'s board.

Tendercapital has appointed Linda Garbarino as the Money Laundering Reporting Officer ("MLRO") who is responsible for bribery and corruption controls. If you have any queries whatsoever or any concerns that bribery and corruption is occurring or could occur due to systems issues you should discuss the matter with the MLRO.

Tendercapital's Anti Bribery & Corruption Policy must be followed must be followed at all times.

6.2 Legal and Regulatory Framework

Since July 1st 2011, the Bribery Act 2010 (the "Act") has been the UK's main bribery and corruption legislation and as the Firm is incorporated in the UK the bribery law applies to its senior management, employees, and associated persons such as third party contractors.

The Act creates offences which can be committed by an individual such as offering or accepting a bribe as an inducement to do something improper or offering a bribe to a foreign official for any party's business advantage. Any legal action against an individual for these offences would also attract the FCA's attention and would almost certainly mean that the individual no longer meets the fitness and propriety requirements.

The Act also creates a corporate offence which the Firm can commit by failing to prevent bribery if any of its employees, subsidiaries, agents or service providers (or other "associated persons") attempt to obtain or retain business or a business advantage anywhere in the world. It is not necessary for the associated person to have been successfully prosecuted for bribery before the Firm can be successfully prosecuted.

Action against the firm for the corporate offences may mean that FCA take the view that members of the senior management team no longer meet the requirements of fitness and propriety to be an approved person.

Differing laws in other countries and regions where activities take place, differing cultural differences, local practice and business custom will only be considered if it is formally enshrined in that jurisdiction's law.

It should be noted that "facilitation payments" (so called "grease payments"), which are allowed to a limited extent under the US's own bribery and corruption laws (FCPA) are strictly prohibited under the UK Bribery Act 2010.

The statutory defence set out in the Act is that the Firm has "adequate procedures" designed to prevent it. What is "adequate" will be determined by the court on a case-by-case basis and in part will be a matter of how effectively a firm has followed the Bribery Act's six principles which are:

Principle 1 - Proportionate procedures

Principle 2 - The involvement of the organisation's top-level management

Principle 3 - Risk assessment procedures

Principle 4 - Due diligence of existing or prospective associated persons

Principle 5 - The communication of the organisation's policies and procedures, and training in their application

Principle 6 - The monitoring, review and evaluation of bribery prevention procedures

6.3 Scope of Anti-Bribery Policy

The Act covers offences committed inside the UK and outside the UK where the person committing them has a close connection with the UK by virtue of being a British national or ordinarily resident in the UK or a body incorporated in the UK such as our firm.

6.3.1 Allowable Behaviour

Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of a commercial organisation, better to present products and services, or establish cordial relations.

6.4 Prohibited Behaviour

Bribery is committed when an inducement or reward (financial or any other advantage) is provided in order to gain any commercial, contractual, regulatory or personal advantage for Tendercapital or another party.

For example, this could be when an inducement or reward is offered to bring about the improper performance by another person of a relevant function or activity or to reward such improper performance.

Another example is where hospitality is offered with the intention to induce conduct that amounts to a breach of an expectation that a person will act in good faith, impartially, or in accordance with a position of trust.

Unless allowed for in the written law of country of a public official, any offers, promises or other advantage to a foreign public official with the intention of influencing the official in the performance of his or her official functions to obtain or retain business or an advantage in the conduct of business by doing so is a bribe.

Local customs and practice do not entitle us as a firm or any employee on behalf of the firm to offer a bribe or any other kind of facilitation payment.

6.5 Individual Responsibilities

Individuals face criminal penalties if they are involved in bribery and corruption, or if they do not report their knowledge or suspicion of bribery and corruption where there are reasonable grounds for their knowing or suspecting such activity.

All individuals at Tendercapital must be aware of their obligations and are required to follow the Firm's policies and procedures at all times.

All individuals are required to make a formal disclosure (as set out later in this Policy) to the Tendercapital Money Laundering Reporting Officer ("MLRO") where there is a reasonable grounds of knowledge or suspicion that another person is engaged in bribery or corruption.

6.6 The Risk Based Approach

Whilst adhering to legal and regulatory requirements Tendercapital's systems and controls will be comprehensive and proportionate to the size and complexity of the business so that it can identify, assess, monitor and manage bribery and corruption risk.

In order for systems and controls to be comprehensive and proportionate "Tendercapital" will carry out a risk-based approach. A risk-based approach means carrying out a risk management process to identify money laundering and/or terrorist financing risks that are relevant to "Tendercapital".

Tendercapital has carried out a risk assessment based on relevant factors including their customer base, business and risk profile. The Policy considered each of the six Principles set out in the Bribery Act 2010 and has structured its policy to meet them.

6.7 Bribery & Corruption Principles

6.7.1 Principle 1: Proportionate Procedures

Tendercapital will always have proportionate procedures to counter the risks it identifies. The procedures will be to a certain extent dictated by the size of the organisation and the nature and complexity of the business at the time of the risk assessment.

However, Tendercapital recognises that size and complexity are not the only determinants for proportionate procedures and will therefore include the following in its procedures when appropriate:

- The involvement of the organisation's top-level management (see Principle 2).
- Risk assessment procedures (see Principle 3).
- Due diligence of existing or prospective associated persons (see Principle 4).
- The provision of gifts, hospitality and promotional expenditure; charitable and political donations; or demands for facilitation payments.
- Direct and indirect employment, including recruitment, terms and conditions, disciplinary action and remuneration.
- Governance of business relationships with all other associated persons including pre and post contractual agreements.
- Financial and commercial controls such as adequate bookkeeping, auditing and approval of expenditure.
- Transparency of transactions and disclosure of information.
- Decision making, such as delegation of authority procedures, separation of functions and the avoidance of conflicts of interest.
- Enforcement, detailing discipline processes and sanctions for breaches of the organisation's anti-bribery rules.
- The reporting of bribery including 'speak up' or 'whistle blowing' procedures.
- The detail of the process by which the organisation plans to implement its bribery prevention procedures, for example, how its policy will be applied to individual projects and to different parts of the organisation.

- The communication of the organisation's policies and procedures, and training in their application (see Principle 5).
- The monitoring, review and evaluation of bribery prevention procedures (see Principle 6).

All procedures put in place to implement an organisation's bribery prevention policies will be designed to mitigate identified risks as well as to prevent deliberate unethical conduct on the part of associated persons.

6.7.2 *Principle 2: Top level Commitment*

As with the entire Tendercapital's policies and procedures the senior management fully endorse the Anti-Bribery and Corruption Policy. In particular, the Senior Management aims to create and support a culture where there is a commitment to carry out business fairly, honestly and openly and a commitment to zero tolerance towards bribery.

The MLRO will have overall responsibility for anti-bribery and corruption. This will include implementing the policy and general oversight of breaches of procedures and the provision of feedback to the board or equivalent, where appropriate, on levels of compliance.

The MLRO will provide the board with adequate Management Information (MI) to monitor and supervise the policy. This MI will include information about third parties, including (but not limited to) new third party accounts, their risk classification, higher risk third party payments for the preceding period, changes to third party bank account details and unusually high commission paid to third parties. MI also includes changes in regulatory or legal requirements.

The board will work with the MLRO to coordinate a senior management-led response to significant bribery and corruption events.

6.7.3 *Principle 3: Risk Assessment*

Tendercapital will assess the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment will be periodic, informed and documented.

The risks the Firm will consider (where relevant) are:

- Country risk: this is evidenced by perceived high levels of corruption, an absence of effectively implemented anti-bribery legislation and a failure of the foreign government, media, local business community and civil society effectively to promote transparent procurement and investment policies.
- Sectoral risk: some sectors are higher risk than others. Higher risk sectors include the extractive industries and the large-scale infrastructure sector.
- Transaction risk: certain types of transaction give rise to higher risks, for example, charitable or political contributions, licenses and permits, and transactions relating to public procurement.
- Business opportunity risk: such risks might arise in high value projects or with projects involving many contractors or intermediaries; or with projects which are not apparently undertaken at market prices, or which do not have a clear legitimate objective.
- Business partnership risk: certain relationships may involve higher risk, for example, the use of intermediaries in transactions with foreign public officials; consortia or joint venture partners; and relationships with politically exposed persons where the proposed business relationship involves, or is linked to, a prominent public official.

6.7.4 *Principle 4: Due Diligence*

A person performing services for Tendercapital is considered an "associated person" under the Bribery Act 2010 and therefore the firm has to have adequate procedures in place to prevent that from person carrying out any form of bribery or corruption.

Tendercapital will take considerable care in entering into certain business relationships, if the circumstances in which the relationships come into existence increase the risk that a third party has a higher risk of being involved in bribery or corruption.

Where relevant (and whilst accepting jurisdiction is not the only factor to consider) will reference the most recent Transparency International Corruption Perception Index.

The 2019 index states that the risk of corruption is (from lowest to highest) is included at the end of this report for reference.

6.7.5 *Principle 5: Communication (and Training)*

Tendercapital training will establish md maintain the knowledge and skills needed to employ the organisation's procedures and deal with any bribery related problems or issues that may arise. Training will emphasize the Firm's zero tolerance to bribery and corruption to staff and where necessary other associated persons also reduces the risk of bribery and corruption.

6.7.6 *Principle 6: Monitoring and Review*

Tendercapital will monitor and review procedures designed to prevent bribery by persons associated with it and make improvements where necessary. All Compliance and internal audit

All compliance and internal audits will challenge not only whether processes to mitigate bribery and corruption have been followed but also the effectiveness of the processes themselves.

Where the MLRO considers necessary Tendercapital will implement an independent checking of compliance's operational role in approving third party relationships and accounts, where relevant. Routine compliance and/or internal audit checks of higher risk third party payments to ensure there is appropriate supporting documentation and adequate justification to pay.

Tendercapital will keeping record and copies of internal suspicion reports which are not forwarded as SARs for future reference and possible trend analysis.

7 Insider Dealing and Market Abuse Policy

7.1 Introduction

Market Abuse is defined as unlawful behaviour (whether by one person alone or by two or more persons jointly or in concert) that occurs in the financial markets and consists of: insider dealing; unlawful disclosure of inside information; or market manipulation.

Where the firm's or an individual's conduct fails to meet the required standards and undermines the financial markets or damages the interests of ordinary market participants it is termed 'market abuse'.

The Senior Managers Certificate Regime (SMCR) Conduct Rules apply to all individuals at Tendercapital. The fifth Individual Conduct Rules specifically requires:

"You must observe proper standards of market conduct."[6]

[6] COCON 2.1.5R

Conduct does not have to be intentional market abuse to be caught by the rules. Not reporting suspicions of market abuse, turning a blind eye or encouraging it will also be viewed as committing market abuse.

The FCA has a dedicated part of the Handbook Market Conduct Rules (MAR) which provides rules on guidance on the avoidance, detection and reporting of market abuse. In the UK breaches of MAR are civil offences and overseen by the FCA and can result in censure, fines, even in cases where market abuse in not technically proven it can impact the FCA assessment of an individual's or a firm's fitness and propriety.[7]

Depending on the circumstances and conduct of the firm or individual market abuse can also constitute a criminal office. The FCA is a prosecuting authority for the criminal offence of insider dealing. The criminal offences of making misleading statements or engaging in a course of misleading conduct and insider dealing are punishable by a maximum of seven years imprisonment or an unlimited fine. The civil disciplinary regime allows for a wider range of penalties to be imposed by FCA who may impose a financial penalty or make a public statement about the behaviour

Tendercapital recognises that proper market conduct is critical to the integrity and health of the financial markets. The Firm's rules must be followed at all times. They are based on the principle that controls that it is more effective to have systems and controls that helps ensure that misconduct does not happen in the first place are better than systems that work by detecting when an event has happened.

7.2 The Scope of the Market Abuse Rules

Market abuse rules extends to actions anywhere in the world concerning financial instruments admitted to a regulated market (RM), a multilateral trading facility (MTF), an organised trading facility (OTF), or a derivative that has an impact on any of those. Tendercapital market abuse rules apply to the following:

i) financial instruments admitted to trading on a regulated market or for which a request for admission to trading on a regulated market has been made;
ii) financial instruments traded on a multilateral trading facility (MTF), admitted to trading on an MTF, or for which a request for admission to trading on an MTF has been made;
iii) financial instruments traded on an organised trading facility (OTF);
iv) financial instruments traded on Swiss SIX, NASDAQ or NYSE.
v) financial instruments not covered by point i, ii, iii or iv the price or value of which depends on or has an effect on the price or value of a financial instrument referred to in those points, including, but not limited to, credit default swaps and contracts for difference;
vi) spot commodity contracts, which are not wholesale energy products, where the transaction, order or behaviour has or is likely or intended to have an effect on the price or value of a financial instrument referred to i, ii, iii, or iv;
vii) types of financial instruments, including derivative contracts or derivative instruments for the transfer of credit risk, where the transaction, order, bid or behaviour has or is likely to have an effect on the price or value of a spot commodity contract where the price or value depends on the price or value of those financial instruments; and
viii) behaviour in relation to benchmarks.

7.3 Abusive Behaviours – Inside Information

Inside information is information of a precise nature, which is not generally available, and which relates (directly or indirectly) to issuers of qualifying investments or the qualifying investments themselves. If

[7] A breach of the market abuse rules may result in summary dismissal without notice or compensation.

generally available this information would be likely to have a significant effect on the price of the qualifying investment or related investment.[8]

Individuals at Tendercapital will likely become an 'insider' (a person who has inside information) as a result of their having access to the information through the exercise of their employment, profession or duties.

You can also become an insider through:

- membership of the administrative, management or supervisory bodies of an issuer of qualifying investments;
- holding in the capital of an issuer of qualifying investments;
- criminal activities; or
- having information which they have obtained by other means and which they know, or could reasonably be expected to know, is inside information.

Unless obtained illegally having knowledge of inside information itself is not an offence if properly handled. Tendercapital has Insider Information rules which must be followed at all times.

7.3.1 Coming into possession of inside information

(i) In the event that you come into possession of inside information, you must report the matter immediately to the Compliance Officer and must then complete an Inside Information Form.

(ii) No employee may deal in any security about which we have inside information.

(iii) No employee may reveal any inside information held by the firm to any third party unless it is proper and necessary to do so.

The Criminal Justice Act/Market Abuse Regulation's provisions are very complex and, if you are in any doubt whether a particular transaction would be prohibited, you should consult the Compliance Officer.

Employees should be aware that any contravention of the Insider Dealing legislation may result in summary dismissal without notice or compensation.

7.3.2 Insider dealing[9]

The firm and/or individuals at Tendercapital will be considered to have committed market abuse if they deal, or try to deal, on the basis of inside information.

Below are examples of market abuse through insider dealing:

Example1:
X, a director at B PLC has lunch with a friend, Y. X tells Y that his/her company has received a takeover offer that is at a premium to the current share price at which it is trading. Y enters into a spread bet priced or valued by reference to the share price of B PLC based on his/her expectation that the price in B PLC will increase once the takeover offer is announced.

Example 2:

[8] In relation to a person charged with the execution of orders, inside information may include information conveyed by a client which relates to the client's pending orders. However, knowledge of your own intended actions is not inside information.

[9] MAR 1.3.2G

An employee at B PLC obtains the information that B PLC has just lost a significant contract with its main customer. Before the information is announced over the regulatory information service the employee, whilst being under no obligation to do so, sells his/her shares in B PLC based on the information about the loss of the contract.

Example 3:

The following example of market abuse (insider dealing) concerns the definition of inside information relating to commodity derivatives. Before the official publication of LME stock levels, a metals trader learns (from an insider) that there has been a significant decrease in the level of LME aluminium stocks. This information is routinely made available to users of that prescribed market. The trader buys a substantial number of futures in that metal on the LME, based upon his/her knowledge of the significant decrease in aluminium stock levels.

Example 4:

The following example of market abuse (insider dealing) concerns the definition of inside information relating to pending client orders:

A dealer on the trading desk of a firm dealing in oil derivatives accepts a very large order from a client to acquire a long position in oil futures deliverable in a particular month. Before executing the order, the dealer trades for the Firm and on his/her personal account by taking a long position in those oil futures, based on the expectation that he will be able to sell them at profit due to the significant price increase that will result from the execution of his/her client's order. Both trades will be market abuse (insider dealing).

In addition to the above the FCA have given guidance that the following amounts to insider dealing where an insider deals or attempts to deal in a qualifying investment or related investment on the basis of inside information relating to the investment in question:

- Front running/pre-positioning - a transaction for a person's own benefit, on the basis of and ahead of an order (including an order relating to a bid) which he is to carry out with or for another (in respect of which information concerning the order is inside information), which takes advantage of the anticipated impact of the order on the market or auction clearing price;
- In the context of a takeover, an offeror or potential offeror entering into a transaction in a financial instrument, using inside information concerning the proposed bid, that provides merely an economic exposure to movements in the price of the target company's shares (i.e. a spread bet on the target company's share price);
- In the context of a takeover, a person who acts for the offeror or potential offeror dealing for their own benefit in a financial instrument using information concerning the proposed bid.

7.3.3 Improper disclosure[10]

The firm and/or individuals at Tendercapital will be considered to have committed market abuse if they are an insider and improperly disclose inside information to another person other than in the proper course of the exercise of their employment, profession or duties.

This would include selective briefing of analysts by directors of issuers or others who are persons discharging managerial responsibilities. Additionally, potential market abuse would occur if an individual at Tendercapital disclosed inside information in a social context.

The following are behaviours which the FCA has stated indicates that a person is acting in the normal exercise of their employment, profession or duties, if a person makes a disclosure of inside information:

[10] MAR 1.4

- to a government department, the Bank of England, the Competition Commission, the Takeover Panel or any other regulatory body or authority for the purposes of fulfilling a legal or regulatory obligation; or
- otherwise to such a body in connection with the performance of the functions of that body.

Below are examples of market abuse through insider dealing through improper disclosure:

Example 1:

X, a director at B PLC has lunch with a friend, Y, who has no connection with B PLC or its advisers. X tells Y that his/her company has received a takeover offer that is at a premium to the current share price at which it is trading.

Example 2:

A, a person discharging managerial responsibilities in B PLC, asks C, a broker, to sell some or all of As shares in B PLC. C discloses to a potential buyer that A is a person discharging managerial responsibilities or discloses the identity of A, in circumstances where the fact that A is a person discharging managerial responsibilities or the identity of A, is , other than in the circumstances set out in the FCA Handbook.

Example 3:

The following is an example of encouraging another to engage in market abuse (improper disclosure). X, an analyst employed by an investment bank, telephones the finance director at B PLC and presses for details of the profit and loss account from the latest unpublished management accounts of B PLC.

7.3.4 Misuse of information

The firm and/or individuals at Tendercapital will be considered to have committed market abuse if their behaviour is based on information that is not generally if available to a regular user of the market, would be, or would be likely to be regarded by him as:

- relevant when deciding the terms on which transactions in qualifying investments should be affected; and
- a failure on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in their position in relation to the market.

Whether information is considered “Relevant information” will depend on several factors such as how reliable the information is, how near the person providing the information is or appears to be to the original source of the information, the reliability of that source and whether the information can be said to be new information.

The following behaviours are, in the opinion of the FCA, market abuse (misuse of information):

- dealing or arranging deals in qualifying investments based on relevant information, which is not generally available and relates to matters which a regular user would reasonably expect to be disclosed to users of the particular prescribed market, or prescribed auction platform, but which does not amount to market abuse (insider dealing);
- a director giving relevant information, which is not generally available and relates to matters which a regular user would reasonably expect to be disclosed to users of the particular prescribed market, to another otherwise than in the proper course of the exercise of their employment or duties, in a way which does not amount to market abuse (improper disclosure).

Below are examples of market abuse through misuse of information:

Example 1:

X, a director at B PLC, has lunch with a friend, Y. X tells Y that his/her company has received a takeover offer. Y places a fixed-odds bet with a bookmaker that B PLC will be the subject of a bid within a week, based on his/her expectation that the takeover offer will be announced over the next few days.

Example 2:

Informal, non-contractual icing of qualifying investments by the manager of a proposed issue of convertible or exchangeable bonds, which are to be the subject of a public marketing effort, with a view to subsequent borrowing by it of those qualifying investments based on relevant information about the forthcoming issue:

a) which is not generally available; and

b) which a regular user would reasonably expect to be disclosed to users of the relevant prescribed market;

where this has the effect of withdrawing those qualifying investments from the lending market in order to lend it to the issue manager in such a way that other market participants are disadvantaged.

Example 3:

An employee of B PLC is aware of contractual negotiations between B PLC and a customer. Transactions with that customer have generated over 10% of B PLC's turnover in each of the last five financial years. The employee knows that the customer has threatened to take its business elsewhere, and that the negotiations, while ongoing, are not proceeding well. The employee, whilst being under no obligation to do so, sells his/her shares in B PLC based on his assessment that it is reasonably likely that the customer will take his/her business elsewhere.

7.4 Insider Rules

All individuals at Tendercapital must:

- Not agree to become an insider in relation to the securities of any company without the prior approval of the CEO or Compliance Officer;
- report immediately when they come into possession of price sensitive or inside information, this report must be to Tendercapital's Compliance Officer and a complete the firm's Inside Information form has to be completed;
- not deal in any security about which they have inside information without the prior permission of the compliance officer.
- Not reveal any inside information held by Tendercapital to any third-party unless it is proper and necessary to do so and only then by following all relevant procedures.

7.5 Abusive Behaviours – Manipulation & Distortion

7.5.1Manipulating transactions[11]

The firm and/or individuals at Tendercapital will be considered to have committed market abuse if they trade, or place orders to trade, that gives a false or misleading impression of the supply of, or demand for, one or more investments, raising the price of the investment to an abnormal or artificial level.

This would include behaviour which consists of effecting transactions or orders to trade (otherwise than for legitimate reasons and in conformity with accepted market practices on the relevant market) which:

[11] MAR 1.6

- give, or are likely to give, a false or misleading impression as to the supply of, or demand for, or as to the price of one or more qualifying investments; or
- secure the price of one or more such investments at an abnormal or artificial level.

The following behaviours are, in the opinion of the FCA, market manipulating transactions:

- buying or selling qualifying investments at the close of the market with the effect of misleading investors who act on the basis of closing prices, other than for legitimate reasons;
- wash trades – that is, a sale or purchase of a qualifying investment where there is no change in beneficial interest or market risk, or where the transfer of beneficial interest or market risk is only between parties acting in concert or collusion, other than for legitimate reasons;
- painting the tape – that is, entering into a series of transactions that are shown on a public display for the purpose of giving the impression of activity or price movement in a qualifying investment;
- entering orders into an electronic trading system, at prices which are higher than the previous bid or lower than the previous offer, and withdrawing them before they are executed, in order to give a misleading impression that there is demand for or supply of the qualifying investment at that price;
- buying or selling on the secondary market of qualifying investments or related derivatives prior to the auction with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders in the auctions, other than for legitimate reasons;
- transactions or orders to trade by a person, or persons acting in collusion, that secure a dominant position over the supply of or demand for a qualifying investment and which have the effect of fixing, directly or indirectly, purchase or sale prices or creating other unfair trading conditions, other than for legitimate reasons;
- transactions where both buy and sell orders are entered at, or nearly at, the same time, with the same price and quantity by the same party, or different but colluding parties, other than for legitimate reasons, unless the transactions are legitimate trades carried out in accordance with the rules of the relevant trading platform (such as crossing trades);
- entering small orders into an electronic trading system, at prices which are higher than the previous bid or lower than the previous offer, in order to move the price of the investment, other than for legitimate reasons;
- an abusive squeeze – that is, a situation in which a person: has a significant influence over the supply of, or demand for, or delivery mechanisms for a qualifying investment or related investment or the underlying product of a derivative contract;
- has a position (directly or indirectly) in an investment under which quantities of the qualifying investment, related investment, or product in question are deliverable;
- engages in behaviour with the purpose of positioning at a distorted level the price at which others have to deliver, take delivery or defer delivery to satisfy their obligations in relation to a qualifying investment (the purpose need not be the sole purpose of entering into the transaction or transactions, but must be an actuating purpose);
- parties, who have been allocated qualifying investments in a primary offering, colluding to purchase further tranches of those qualifying investments when trading begins, in order to force the price of the qualifying investment to an artificial level and generate interest from other investors, and then sell the qualifying investments;
- transactions or orders to trade employed so as to create obstacles to the price falling below a certain level, in order to avoid negative consequences for the issuer, for example a downgrading of its credit rating;

- trading on one market or trading platform with a view to improperly influencing the price of the same or a related qualifying investment that is traded on another prescribed market;
- conduct by a person, or persons acting in collusion, that secure a dominant position over the demand for a qualifying investment which has the effect of fixing, directly or indirectly, auction clearing prices or creating other unfair trading conditions, other than for legitimate reasons.

Below are examples of market abuse through misuse of information:

Example 1:

A trader simultaneously buys and sells the same qualifying investment (that is, trades with himself) to give the appearance of a legitimate transfer of title or risk (or both) at a price outside the normal trading range for the qualifying investment. The price of the qualifying investment is relevant to the calculation of the settlement value of an option. He does this while holding a position in the option. His purpose is to position the price of the qualifying investment at a false, misleading, abnormal or artificial level, making him a profit or avoiding a loss from the option.

Example 2:

A trader buys a large volume of commodity futures, which are qualifying investments, (whose price will be relevant to the calculation of the settlement value of a derivative position he holds) just before the close of trading. His purpose is to position the price of the commodity futures at a false, misleading, abnormal or artificial level so as to make a profit from his/her derivatives position.

Example 3:

A trader holds a short position that will show a profit if a particular qualifying investment, which is currently a component of an index, falls out of that index. The question of whether the qualifying investment will fall out of the index depends on the closing price of the qualifying investment. He places a large sell order in this qualifying investment just before the close of trading. His purpose is to position the price of the qualifying investment at a false, misleading, abnormal or artificial level so that the qualifying investment will drop out of the index so as to make a profit.

Example 4:

A fund manager's quarterly performance will improve if the valuation of his/her portfolio at the end of the quarter in question is higher rather than lower. He places a large order to buy relatively illiquid shares, which are also components of his/her portfolio, to be executed at or just before the close. His purpose is to position the price of the shares at a false, misleading, abnormal or artificial level.

7.5.2 Manipulating devices

The firm and/or individuals at Tendercapital will be considered to have committed market abuse if they trade, or place orders to trade, which employs fictitious devices or any other form of deception or contrivance.

Behaviour which consists of effecting transactions or orders to trade which employ fictitious devices or any other form of deception or contrivance. The following behaviours are, in the opinion of the FCA, market abuse through manipulating devices:

- Taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a qualifying investment (or indirectly about its issuer) while having previously taken positions on, or submitted bids in relation to that qualifying investment and profiting subsequently from the impact of the opinions voiced on the price of that instrument, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way;

- A transaction or series of transactions that are designed to conceal the ownership of a qualifying investment, so that disclosure requirements are circumvented by the holding of the qualifying investment in the name of a colluding party, such that disclosures are misleading in respect of the true underlying holding. These transactions are often structured so that market risk remains with the seller. This does not include nominee holdings;
- Pump and dump – that is, taking a long position in a qualifying investment and then disseminating misleading positive information about the qualifying investment with a view to increasing its price;
- Trash and cash – taking a short position in a qualifying investment and then disseminating misleading negative information about the qualifying investment, with a view to driving down its price.

7.5.3 Dissemination

The firm and/or individuals at Tendercapital will be considered to have committed market abuse if they give out information that conveys a false or misleading impression about an investment or the issuer of an investment where the person doing this knows the information to be false or misleading.

The following behaviours are, in the opinion of the FCA, market abuse (dissemination):

- knowingly or recklessly spreading false or misleading information about an investment through the media;
- undertaking a course of conduct in order to give a false or misleading impression about an investment.

The following are examples of behaviour which may amount to market abuse to dissemination:

Example 1

A person posts information on an Internet bulletin board or chat room which contains false or misleading statements about the takeover of a company whose shares are qualifying investments and the person knows that the information is false or misleading.

A person responsible for the content of information submitted to a regulatory information service submits information which is false or misleading as to qualifying investments and that person is reckless as to whether the information is false or misleading.

7.5.4 Distortion and misleading behaviour

The firm and/or individuals at Tendercapital will be considered to have committed market abuse if their behaviour is such that it gives a false or misleading impression of either the supply of, or demand for, an investment; or behaviour that otherwise distorts the market in an investment.
The following behaviours are, in the opinion of the FCA, market abuse (misleading behaviour) or market abuse (distortion):

- the movement of physical commodity stocks, which might create a misleading impression as to the supply of, or demand for, or price or value of, a commodity or the deliverable into a commodity futures contract;
- the movement of an empty cargo ship, which might create a false or misleading impression as to the supply of, or the demand for, or the price or value of a commodity or the deliverable into a commodity futures contract.

Additionally, it would be an abusive behaviour even if not a manipulating transaction, devices or dissemination if it is still likely to give a regular user of an auction platform a false or misleading impression as to the supply or, demand for or price or value of qualifying investments.

7.6 Regulatory ("Chinese") Walls[12]

Where Tendercapital's inside information is held behind an effective Regulatory wall, or similarly effective arrangements, from the individuals who are involved in or who influence the decision to deal, then that indicates that the decision to deal by an organisation is not "on the basis of" inside information.

7.7 Accepted Market Practices

Tendercapital's must follow the FCA's non-exhaustive factors when assessing whether to accept a particular market practice is meeting the required market conduct standards:

i) the level of transparency of the relevant market practice to the whole market;
ii) the need to safeguard the operation of market forces and the proper interplay of the forces of supply and demand (taking into account the impact of the relevant market practice against the main market parameters, such as the specific market conditions before carrying out the relevant market practice, the weighted average price of a single session or the daily closing price);
iii) the degree to which the relevant market practice has an impact on market liquidity and efficiency;
iv) the degree to which the relevant practice takes into account the trading mechanism of the relevant market and enables market participants to react properly and in a timely manner to the new market situation created by that practice;
v) the risk inherent in the relevant practice for the integrity of, directly or indirectly, related markets, whether regulated or not, in the relevant financial instrument within the whole EEA,
vi) the outcome of any investigation of the relevant market practice by any competent authority or other authority mentioned in Article 12(1) of the Market Abuse Directive, in particular whether the relevant market practice breached rules or regulations designed to prevent market abuse, or codes of conduct, be it on the market in question or on directly or indirectly related markets within the EEA; and
vii) the structural characteristics of the relevant market including whether it is regulated or not, the types of financial instruments traded and the type of market participants, including the extent of retail investors participation in the relevant market.

7.8 Statutory Exceptions

There are certain statutory exceptions for behaviour relating to buy-back programmes and stabilisation. The behaviour which conforms with the Buy-back and Stabilisation Regulation will not amount to market abuse.

- FCA Rules - There are no rules which permit or require a person to behave in a way which amounts to market abuse. Some rules (pertaining to Chinese walls and disclosure) contain a provision to the effect that behaviour conforming with that rule does not amount to market abuse.
- Takeover Code - There are no rules in the Takeover Code which permit or require a person to behave in a way which amounts to market abuse.

7.9 Market Soundings[13]

7.9.1Definition of Market Sounding

A market sounding is defined as the communication of information, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors by:

i) an issuer;

[12] SYSC 10.2
[13] Article 11 EU_MAR

ii) a secondary offeror of a financial instrument, in such quantity or value that the transaction is distinct from ordinary trading and involves a selling method based on the prior assessment of potential interest from potential investors;
iii) an emission allowance market participant; or
iv) a third party acting on behalf or on the account of a person referred to in point (a), (b) or (c). (MAR Art. 11(1))

7.9.2 *Receipt of a Market Sounding*

No individual at Tendercapital should agree to receive a market sounding without first having obtained permission to receive such data from the Compliance Officer. The sounding party proposing should at most, state that they want to discuss a holding and not name the holding.
Specific disclosures should only be made to the Compliance Officer who will determine whether or not to pass the information on to other staff members or to give them permission to talk to the sounding party. In the event that the sounding party does disclose information that may be material, price sensitive information this should immediately be disclosed to the Compliance Officer and no trading in the relevant instrument should be undertaken without the prior explicit consent of the Compliance Officer. Information must not be shared with any other employee without the permission of the Compliance Officer.
In the event that inside information is received it must be subject to Tendercapital inside information rules.

7.9.3 *Making a Market Sounding*

It is considered unlikely that Tendercapital will ever wish to take a market sounding. In the event that Tendercapital wishes to become a disclosing market participant (DMP) it will follow its obligations of the market soundings regime include requirements for the DMP to:

i) ascertain who does and does not wish to receive market soundings;
ii) provide recipients with certain information when providing them with a sounding;
iii) assess whether the sounding includes inside information;
iv) assess when inside information ceases to be so, and inform the recipients of this; and
v) keep records for five years and provide them to the FCA on request, such records to include the names of recipients and exact time they were given the information.

Market sounding approaches under (i) above must be made to the compliance department and not to any trading personnel.

7.10 Market Abuse Procedures

Tendercapital must keep under review the type of business its conducts in relation to the scope of the market abuse regime so that it is aware of when it is trading in qualifying investments on prescribed markets.
All individuals must receive regular training on market abuse. The training will be relevant to Tendercapital's business activities.
In relation to Suspicious Transaction and Order Reporting, relevant individuals must know what to look for and escalate potential suspicions to the CEO or Compliance Officer.

7.11 Short Selling Restrictions/Notifications

7.11.1Definition of a Short

A net short position is a position resulting from either:

i) a short sale of a share issued by a company or of a debt instrument issued by a sovereign issuer; or
ii) entering into a transaction which creates or relates to a financial instrument other than an instrument referred to in point (i) where the effect or one of the effects of the transaction is to confer a financial advantage on the natural or legal person entering into that transaction in the event of a decrease in the price or value of the share or debt instrument.

Net short positions are after taking into account all long positions.

7.11.2 The EU Short Selling Regulations[14]

The SSR requires disclosure of certain short positions in financial instrument admitted to trading on an EEA regulated market or MTF, and of certain related derivatives positions, places restrictions on uncovered short sales of those financial instruments and prohibits uncovered credit default swaps on certain sovereign debt of EEA member states.

7.11.3 Instruments covered by the SSR

Short selling restrictions apply to MiFID financial instruments that are admitted to trading on an EEA regulated market or on an EEA multilateral trading facility. It also applies to related derivatives and certain debt instruments.

7.11.4 Applicability of the SSR

The SSR applies to Tendercapital where it has a "net short position" in relation to the issued share capital of a company that has shares admitted to trading on a Trading Venue or in relation to a debt instrument issued by an EEA sovereign issuer.

Where a market participant, such as Tendercapital, carries out discretionary investment management activities, it is required to aggregate the net short positions of all discretionary clients (whether funds or separately managed accounts) pursuing the same investment strategy in relation to a particular issuer – i.e. a strategy which aims to have either a net short or a net long position taken through transactions in various financial instruments issued by or that relate to that issuer. On this basis, an investment manager is required to include only discretionary clients with net short positions, and to exclude any discretionary clients with long positions since they would be pursuing a different (i.e. long) strategy. Positions of clients where the investment management has been delegated to another manager should be excluded.

7.11.5 *Short selling notifications*

The SSR obliges firms to make notifications of positions in certain circumstances. Breach of the short selling notification requirements can result in heavy fines. The notifications can be private or public. Notifications are not required where the principal venue for trading the shares is not in the EU.

Tendercapital must notify the Relevant Competent Authority (which can be found on Bloomberg) where its "net short position" in a company that has shares admitted to trading on a Trading Venue reaches or falls below 0.2 % (in the UK) or 0.1% (in the EU) of the issued share capital of the company concerned and each 0.1 % above that. Notifications need to be made before the end of the following day. In order to be able to notify each NCA has a registration procedure which is not instant so it is advisable to register in advance if the firm believes it is likely to have a future notification requirement.[15]

[14] N 236/2012

15 The procedures can be found at https://www.esma.europa.eu/system/files_force/library/ssr_websites_ss_positions.pdf The threshold for public notification is 0.5% and at each 0.1% interval. The practice of NCAs varies – the FCA for instance has a separate email address for public as opposed to private notification.

7.11.6 Notification of short positions in sovereign debt

ESMA sets limits, above which firms are required to notify NCAs regarding short positions in sovereign debt. The limits vary by member state and are reset quarterly. Limits apply at the close of business each day (midnight) and not intraday Reporting is required at an initial level and at each incremental level.[16]

7.11.7 Sovereign credit default swaps

Tendercapital may only enter into a sovereign credit default swap transaction to cover risks it faces in holding sovereign debt, uncovered positions are not permitted.[17]

7.11.8 Short Selling Restrictions

Breach of the short selling restrictions is market abuse. Attempting to breach the short selling restrictions, by for instance selling an index and buying the components is also market abuse.

Tendercapital must be aware of any NCA restrictions on the short selling of any instrument.[18]

7.12 Long Position Reporting

Regulators globally set criteria for the reporting of long positions. The reporting requirements may vary depending on whether the stock is subject to a takeover bid or not. Reporting requirements may cover both the investment firm and the beneficial owners. Fines for violation of the reporting requirements may be severe. Typically reporting is required at set thresholds and again when the holding falls below the thresholds. Regulators may vary the thresholds from time to time.

Tendercapital must be aware of the UK's relevant rules which are set by the UKLA (a separate part of the FCA) and the takeover panel.

7.13 Suspicious Transaction & Order Reporting SUP 15.10

If Tendercapital arranges or executes a transaction with or for a client in a qualifying investment admitted to trading on a prescribed market and has reasonable grounds to suspect that the transaction might constitute market abuse, it must notify the FCA without delay. This is a specific notification requirement. The requirement is for orders and not just transactions. In the case of a suspicious order the approval of the Compliance Officer must be obtained before the order is executed.

In deciding what transactions to report, the key test is that there are reasonable grounds for suspecting the transaction involves market abuse. (Reasonable suspicion is also the test in respect of the Proceeds of Crime Act (POCA) suspicious transaction reporting requirement.)

In practice this means that if Tendercapital has cause to suspect that a transaction may constitute market abuse, if the transaction does not 'feel right' with what it knows or would reasonably expect from the client, then the individual must immediately notify the Compliance Officer who will then decide if there are reasonable grounds for suspecting that the transaction involves market abuse.

16 The current limits can be found at https://www.esma.europa.eu/system/files_force/library/sovereign_debt_thresholds.xlsx
1717 For fuller details see Article 4 of the SSR https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012R0236&from=EN
[18] By way of example, during the financial crisis, BaFIN, the German regulator banned the short selling of the DAX index futures.

Notification of suspicious transactions or orders to the FCA requires sufficient indications (which may not be apparent until after the transaction has taken place) that the transaction or order might constitute market abuse. In particular a person subject to Market Abuse Regulation will need to explain the basis for the suspicion when notifying the FCA. Certain transactions or orders may seem, by themselves, devoid of anything suspicious, but might deliver such indications of possible market abuse, when seen in perspective with other transactions, certain behaviour or other information.

Any report to the Compliance Officer must explain the basis for any suspicion to the FCA with sufficient detail to enable the completion of the Suspicious Transaction Reporting Form, which is available on the Market Abuse section of FCA's website.

It is important that the individual must not inform anyone else, and in particular the client, of any notification made to the FCA.

7.13.1Suspicious client orders[19]

Tendercapital must consider the following factors when determining whether or not a person's behaviour in executing an order (including an order relating to a bid) on behalf of another is carried out legitimately in the normal course of exercise of that person's employment, profession or duties:

- whether the person has complied with the applicable provisions of COBS 2, or their equivalents in the relevant jurisdiction; or
- whether the person has agreed with its client it will act in a particular way when carrying out, or arranging the carrying out of, the order; or
- whether the person's behaviour was with a view to facilitating or ensuring the effective carrying out of the order; or
- the extent to which the person's behaviour was reasonable by the proper standards of conduct of the market or auction platform concerned and (if relevant) proportional to the risk undertaken by him; or
- whether, if the relevant trading or bidding (including the withdrawal of a bid) by that person is connected with a transaction entered into or to be entered into with a client (including a potential client), the trading or bidding either has no impact on the price or there has been adequate disclosure to that client that trading or bidding will take place and he has not objected to it.

7.13.2Examples of Suspicious Transactions or Orders

The FCA has given the following examples of indications that are intended to be a starting point for consideration of whether a transaction or order is suspicious. They are neither conclusive nor comprehensive.

- A client opens an account and immediately gives an order to conduct a significant transaction or, in the case of a wholesale client, an unexpectedly large or unusual order, in a particular security - especially if the client is insistent that the order is carried out very urgently or must be conducted before a particular time specified by the client;
- A transaction or order is significantly out of line with the client's previous investment behaviour (e.g. type of security; amount invested; size of order; time security held);
- A client specifically requests immediate execution of an order regardless of the price at which the order would be executed (assuming more than a mere placing of 'at market' order by the client);
- There is unusual trading in the shares of a company before the announcement of price sensitive information relating to the company;

[19] *MAR1.3.15G*

- An employee's own account trading is timed just before clients' transactions in the same financial instrument.

7.13.3Examples of Suspicions of Market Manipulation

- An order will, because of its size in relation to the market in that security, clearly have a significant impact on the supply of or demand for or the price or value of the security, especially an order of this kind to be executed near to a reference point during the trading day – e.g. near the close;
- A transaction appears to be seeking to modify the valuation of a position while not decreasing/increasing the size of that position;
- A transaction appears to be seeking to bypass the trading safeguards of the market (e.g. as regards volume limits; bid/offer spread parameters; etc).

7.14 Policy on Handling of Market Place Rumour

A market place rumour is information that is circulated purporting to be a fact but which has not yet been verified. In nervous and volatile markets when unsubstantiated information is more likely to be present, extra caution needs to be taken when handling rumours.

Anyone who knowingly disseminates false or misleading information or whose transactions are designed to give a false or misleading impression or distort the market in a security would be committing market abuse and making misleading statements and practices can be a criminal offence.

Therefore, to avoid any accusation of market abuse the following procedures for handling market rumours must be followed:

- All potentially price sensitive information should remain confidential;
- Under no circumstances should a market rumour be originated, or otherwise created;
- Under no circumstances should Tendercapital disseminate rumours about Tendercapital's competitors to attract new business and customers.

If rumours are received and consequently passed on by Tendercapital then the following information must be clearly stated alongside the rumour:

- The origin of the information is sourced (where possible);
- The information is clearly stated to be a rumour;
- That no additional credence or embellishment is given to the rumour;
- That the information is clearly stated to be unsubstantiated/not verified

It should be noted that a statement is unlikely to be considered a rumour if it is clearly an expression of an individual's or firm's opinion, such as an analyst's view of the prospects of a company.

8 Personnal Account Dealing Policy

8.1 Introduction

Tendercapital are authorised and regulated by the FCA to carry out investment management business. Therefore, individuals at Tendercapital are prohibited by law and the FCA Handbook[20] from entering into certain personal account transactions, namely:

i) If it involves the misuse or improper disclosure of that confidential information21.

[20] FCA Handbook COBS 11.7A
[21] See Section 1.8 below

ii) If it conflicts with any obligation Tendercapital owes to any client e.g.: the clients' best interests.

iii) If the Market Abuse Directive prohibits the individual from entering into the transaction.

The FCA requires that Tendercapital must establish, implement and maintain adequate arrangements aimed at preventing prohibited personal transactions listed above.

The following procedure, which combines the FCA rules and Tendercapital's internal procedures, apply to all dealings in designated investments undertaken by all the directors (including non-executive directors) and employees (including part-time and contractors and persons working for appointed representatives of Tendercapital). Any breach may result in disciplinary action which, in severe cases, may be grounds for summary dismissal.

8.2 Client's Best Interest Rule

Tendercapital must always put the clients' best interests first and so personal account transactions must not under any circumstances create a conflict with client investment decisions or trading.

Therefore, client orders must take priority over any personal account dealing.

8.3 Scope

The personal account trading rules cover:

i) Transferable Securities. Defined as anything which is a transferable security for example:
   a) shares in companies and other securities equivalent to shares in companies, partnerships or other entities, and depositary receipts in respect of shares;
   b) bonds or other forms of securitised debt, including depositary receipts in respect of such securities; and
   c) any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures.

ii) Financial contracts for differences (CFD's)

iii) Options, derivatives, futures, swaps where the underlying is an index or a basket composed of financial instruments traded on a trading venue (where at least one financial instrument that is traded on a trading venue). This includes ETF's.

8.3.1 Related Trading Accounts

Currently, Tendercapital does not require personal account trade reporting for the account's held by spouses; common law partners; dependent children; and any other account over which the individual at Tendercapital has a power of attorney.

However, where an individual at Tendercapital is precluded from entering into a transaction for their own account, they must not (except in the proper course of his employment):

(i) Procure any person to enter into such a transaction; or

(ii) Communicate any information or opinion to any other person if knows. Or ought to know, that the person will, as a result, enter into such a transaction, or counsel or procure some other person to do so.

8.4 Restricted List

Tendercapital operates a restricted list of securities. The list will be communicated to you by the Compliance team. Tendercapital may from time to time add an investment to its list of restricted securities. If the

proposed trade involves a security on the restricted list you must obtain prior approval from the Compliance Officer.