

# Research Policy

## Contents

Background and Purpose .....	3
1.1 Introduction .....	3
1.2 Purpose .....	3
1.3 Scope .....	4
1.4 Objectivity .....	4
1.5 Independence .....	4
1.6 Analyst remuneration .....	5
1.7 Coverage decisions.....	5
1.8 Interaction between The Research Department and other business areas .....	5
1.9 Personal account trading .....	6
1.10 Distribution of Research Reports .....	6
1.11 Disclosures .....	6
1.12 Monitoring Compliance .....	6
1.13 Review .....	7

## Background and Purpose

### 1.1 Introduction

Barclay Pearce Capital Pty Ltd and Admiralty Investment Management Pty Ltd (“Barclay Pearce Capital”), as an Australian Financial Service licence (“AFSL”) holder, is required to have adequate arrangements for managing conflicts of interest that may arise wholly or partially by the provision of financial services to its clients. Compliance with these obligations is ongoing.

Barclay Pearce Capital must take reasonable steps to ensure that conflicts of interest:

- (a) do not compromise the integrity and objectivity of research analysts and of research reports;
- (b) do not result in Barclay Pearce Capital breaching its legal obligations, including (but not limited to) the obligation to act efficiently, honestly and fairly; and
- (c) are adequately managed.

This Policy has been prepared taking into account Barclay Pearce Capital’ obligations under the Corporations Act 2001 (Cth) (“Corporations Act”) and other applicable laws and regulations and having regard to the following:

- (a) ASIC Regulatory Guide 264 – Sell-side research (December 2017);
- (b) ASIC Regulatory Guide 79 – Research report providers: Improving the quality of investment research (December 2012);
- (c) ASIC Regulatory Guide 181 – Licensing: Managing Conflicts of Interest (August 2004);
- (d) ASIC Report 24 - Research Analyst Independence (August 2003);
- (e) ASIC Report 393 – Handling of Confidential Information: Briefings and unannounced corporate transactions (May 2014); and
- (f) ASIC Report 486 - Sell-side research and corporate advisory: confidential information and conflicts (August 2016).

Capitalised terms used in this Policy have the same meanings given to them in the ASIC Market Integrity Rules, ASX/Chi-X Operating Rules or the Corporations Act.

### 1.2 Purpose

The purpose of the Research Independence Policy of Barclay Pearce Capital is to confirm the independence and objectivity of Barclay Pearce Capital’ Research Reports pursuant to the guidance of its regulatory body, the Australian Securities and Investments Commission, through its Regulatory Guide 264 – Sell Side Research. This Policy, and the procedures underlying it, are also designed to:

- (a) identify conflicts of interest;

- (b) assess and evaluate those conflicts; and
- (c) detail procedures required to be followed.

### 1.3 Scope

This Policy applies to all research reports prepared by the Research and Research Services Departments. All Barclay Pearce Capital staff are required to abide by this Policy, as well as any additional or more stringent requirements imposed by Australian law or regulation.

Non-compliance with this Policy may lead to disciplinary action, including dismissal.

### 1.4 Objectivity

Research must have a reasonable basis and be balanced and objective. Analysts should not become involved in activities other than the preparation of research where such involvement is inconsistent with the maintenance of the analyst's objectivity.

### 1.5 Independence

The Research Department produces research independently of other business areas. No analyst may permit him/herself to be biased or inappropriately influenced by the interests of any issuer, by any client, or by his/her personal interests. Research must not be used by Barclay Pearce Capital to advance its own interests over those of its clients, or to advance an analysts' own interests.

Research analysts are prohibited from reporting to any department other than The Research Department personnel. All performance review process or promotion decisions relating to an The Research Department analyst is solely conducted by The Research Department.

All employees from Barclay Pearce Capital are prohibited from directly or indirectly offering favourable investment research, a specific rating, or a specific recommendation (or offering/threatening to change investment research, a rating, or a recommendation) to a client as consideration or inducement for the receipt of business or compensation.

Employees of Barclay Pearce Capital are prohibited from influencing or seeking to influence, the contents and timing of an investment research report or the activities of research personnel. Similarly all research analysts are prohibited from accepting or offering to accept any inducement to produce favourable research or a specific rating or price target. The Research Department analysts are prohibited from disclosing the content and timing of a research report to any person other than to Legal & Compliance or for The Research Department peer review prior to its public release. Barclay Pearce Capital employees who are not employed by The Research Department are strictly prohibited from attempting to influence the content and timing of any research report.

Under no circumstances must the promise of research be used to secure a Barclay Pearce Capital mandate. The Research Department analysts are not permitted to participate in, including to attend, deal related pitches or transaction meetings of Barclay Pearce.

## 1.6 Analyst remuneration

The remuneration of The Research Department staff is not at any time determined by management directly connected with another business unit. Remuneration is not contingent on:

- (a) analysts introducing new clients or retaining existing clients;
- (b) any specific investment banking, corporate advisory or dealing transaction; or
- (c) the level of any asset management fee.

The budget and expenses are controlled by the Head of Research in consultation with the Chief Operating Officer and Chief Executive Officer of Barclay Pearce Capital.

Analyst remuneration is to be based on the established criteria that is linked to the analyst's competency including the quality of the analyst's research and analysis, evaluations by Barclay Pearce Capital' clients, the overall profit of Barclay Pearce Capital and rankings in independent surveys.

## 1.7 Coverage decisions

Barclay Pearce Capital executives are responsible for reviewing and approving all research coverage decisions. When making decisions on coverage, senior management will be advised by Legal & Compliance L. However, the final decision rests with the General Manager of Research.

## 1.8 Interaction between The Research Department and other business areas

Barclay Pearce Capital has implemented physical barriers between The Research Department, Equities Trading, Advisory, as well as detailed policies and procedures, to prevent unauthorised flow of information between these areas and to ensure that research analysts are not subject to any inappropriate influences that might affect the independence, integrity and objectivity of their investment research.

The Research Department analysts are restricted from activities or interactions with staff from other business areas that could prejudice the independence of their research, but are otherwise free to use their expertise for the benefit of Barclay Pearce Capital's clients, subject to policies and procedures supplementing this Policy.

Dealings between employees of The Research Department and employees of Equities Trading, permitted only if they are:

- (a) in compliance with Barclay Pearce Capital's information barrier policies and procedures, in particular, its wall-crossing procedures; and
- (b) otherwise approved by Legal & Compliance and do not compromise the independence, integrity and objectivity of The Research Department and Barclay Pearce Capital' commitment to providing research products to its clients.

### 1.9 Personal account trading

The Research Department analysts' personal account trading activities are subject to the Barclay Pearce Capital Personal Trading Policy. In particular, research analysts must not trade in securities of an issuer they cover or intend to cover.

### 1.10 Distribution of Research Reports

All Barclay Pearce Capital research reports must be peer reviewed prior to distribution. Research reports are at no stage disclosed to other business units outside of The Research Department prior to their publication except, in limited circumstances, for fact checking after Legal & Compliance approval.

The timing and content of unpublished research reports must not be disclosed to anyone outside of The Research Department, until the information is broadly disseminated. Research reports are only distributed via the usual channel to ensure they are made available simultaneously to all Barclay Pearce Capital clients.

In certain circumstances, such as when Barclay Pearce Capital has a significant role in an offering of securities or certain corporate transactions, the publication of research reports relating to an issuer may be restricted or limited for a certain period, including the use of black-out periods, to avoid any perceived conflict as well as any inconsistency between the research report and any offering documents.

### 1.11 Disclosures

Barclay Pearce Capital will make prominent, specific and meaningful disclosure of any interests it has in the research, or the issuer the subject of the research. This disclosure may include:

- (a) the identity of any person that commissioned and paid for the research;
- (b) material interests Barclay Pearce Capital or its employees have in the financial products the subject of the research;
- (c) benefits likely Barclay Pearce Capital and its employees are likely to receive from the issuer or the report;
- (d) the relationship (if any) of Barclay Pearce Capital and its related bodies corporate to the issuer (including any other services provided to the issuer); and
- (e) assistance provided by the issuer in the preparation of the research report.

Legal & Compliance has in place compliance controls and monitoring to ensure compliance.

### 1.12 Monitoring Compliance

Barclay Pearce Capital continuously monitors the drafting, reviewing, approving and distribution of all research reports.

In particular, Compliance is responsible for the monitoring of compliance with this Policy and the procedures concerning the independence of Barclay Pearce Capital, The Research Department and the production, issuance and distribution of all research reports.

### 1.13 Review

This Policy will be reviewed annually or following a material change to the applicable law, regulations, regulatory guidance or business so as to ensure that it continues to operate effectively and is still appropriate for Barclay Pearce Capital's operations.