

## **CODE OF ETHICS AND STANDARDS OF CONDUCT**

*Effective date: April 10, 2019*

Here at Essence Capital we value integrity and abide by international best practices as outlined in the CFA Code of Ethics and Standards of Conduct, to the extent applicable not only to related investment advisory, but in the wider advisory context, and also given Essence Capital is not and is not going to be involved in securities trading.

All Essence Capital partners, staff and associates (those participating in engagements shall be referred to hereafter as "Engagement Team Members") agree to operate according to the following guidelines:

### **I. CODE OF ETHICS**

### **II. STANDARDS OF CONDUCT**



## I. CODE OF ETHICS

1. Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, governments, communities, and other entities with which we work, and refrain from doing anything that could bring Essence Capital, or the Essence ecosystem, into disrepute.
2. Place the integrity of the investment and advisory profession and the interests of clients above our own personal and corporate interests. Approach all engagements with an open mind and with a commitment to produce the best possible outcomes for clients, under all the circumstances.
3. Use reasonable care and exercise independent professional judgment when conducting analysis, making recommendations and engaging in other professional activities.
4. Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
5. Strive to establish consensus between managers and stakeholders in controversial areas of their relations, such as disclosure, corporate governance, and compliance, while taking into account the limitations and sensitivities of different parties.
6. Maintain and improve professional competence and strive to maintain and improve the competence of other investment and advisory professionals.



## **II. STANDARDS OF CONDUCT**

Essence Capital Engagement Team Members must adhere to the following standards:

### **Standard I: Professionalism**

#### **1. Knowledge of the Law**

Understand and comply with all applicable laws, rules, and regulations of every relevant government, regulatory organization, licensing agency, or professional association governing their professional activities. In the event of conflict, comply with the more strict law, rule or regulation.

Not knowingly participate or assist in and dissociate from any violation of such laws, rules, or regulations.

#### **2. Independence and Objectivity**

Use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities.

Not offer, solicit, or accept any gift, benefit, compensation, or consideration that reasonably could be expected to compromise their own or another's independence and objectivity.

#### **3. Misrepresentation**

Not knowingly make any misrepresentations relating to investment or advisory analysis, recommendations, actions, or other professional activities.

#### **4. Misconduct**

Not engage in any professional conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on their professional reputation, integrity, or competence.

### **Standard II: Integrity of Capital Markets**

#### **1. Material Non-public Information**

Not act or cause others to act on the material non-public information that could affect the value of an investment and comes into possession through participation in engagements.

#### **2. Market Manipulation**

Not engage in practices that distort prices or artificially inflate trading volume with the intent to mislead market participants.



## Standard III: Duties to Clients

### 1. Loyalty, Prudence, and Care

Have a duty of loyalty to clients and act with reasonable care and exercise prudent judgment. Act for the benefit of clients and place clients' interests before own personal or corporate interests or refuse from engagements in cases when conflicts of interests cannot be resolved.

### 2. Fair Dealing

Deal fairly and objectively with all clients when providing investment and advisory analysis, making recommendations, or engaging in other professional activities.

### 3. Suitability

When in an advisory relationship with a client:

- make a reasonable inquiry into a client's or prospective client's experience and objectives;
- determine that advice given is suitable to the client's situation and consistent with the client's objectives, mandates, and constraints before making recommendations.

### 4. Preservation of Confidentiality

Keep information about current, former, and prospective clients confidential unless:

- the information concerns illegal activities on the part of the client;
- disclosure is required by law; or
- the client or prospective client permits disclosure of the information.

## Standard IV: Duties to Employers

### 1. Loyalty

In matters related to engagement with Essence Capital, act for the benefit of Essence Capital and not deprive Essence Capital of the advantage of their skills and abilities, divulge confidential information of Essence Capital and of its current or prospective clients, or cause harm in any other manner.

### 2. Additional Compensation Arrangements

Not accept gifts, benefits, compensation, or consideration that competes with or might reasonably be expected to create a conflict of interest with interests of Essence Capital unless written consent from all parties involved is obtained.

### 3. Responsibilities of Supervisors

Make reasonable efforts to ensure that anyone subject to supervision or authority complies with applicable laws, rules, regulations and the Code and Standards.



## Standard V: Analysis, Recommendations, and Actions

### 1. Diligence and Reasonable Basis

When in an advisory relationship with a client:

- exercise diligence, independence, and thoroughness in doing analysis, making recommendations or taking actions;
- have reasonable and adequate basis, supported by appropriate research and investigation, for any analysis, recommendation, or action, or disclose lack of thereon.

### 2. Communication with Clients and Prospective Clients

When in an advisory relationship with a client or pursuing such a relationship document formally evidence engagement in an Engagement Letter, Contract or similar document that should clearly state:

- the terms of the engagement, including: scope and objectives and the capacity in which employed (definition of professional role);
- details of the planned approach including timing of major stages (where applicable) and anticipated deliverables / products;
- communication and reporting processes to be followed during the engagement;
- Identification of the key parties, and the adviser's responsibilities towards them.

Anticipated costs, or at least the basis of charging fees and expenses, including details of how bills will be rendered and paid.

### 3. Record Retention

Develop and maintain appropriate records to support their analyses, recommendations, actions, and related communications with clients and prospective clients.

## Standard VI: Conflicts of Interest

### Disclosure of Conflicts

Make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and Essence Capital.

Ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.