



# **GROUP CONFLICT OF INTEREST POLICY**

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## Introduction

Officers and employees of Britam Holdings Plc and its subsidiaries and affiliate companies, (hereinafter referred to as the Britam Group) must never permit their personal interests to conflict, or appear to conflict, with the interests of the company, its clients or affiliates. This may include but is not exclusive to:

- a) Real or perceived financial gain resulting from recommendations to our clients at a cost to the client;
- b) An outcome in service delivery or a transaction executed that may differ from the real interest of the client;
- c) Any non-cash incentives that may be received by the business from effecting any predetermined transaction and / or product;
- d) Effecting a transaction and / or product that may result in a benefit to another party other than the client.

Officers and employees must be particularly careful to avoid representing the company in any transaction with others with whom there is any outside business affiliation or relationship. Officers and employees shall avoid using their company contacts to advance their private business or personal interests at the expense of the company, its clients or affiliates.

Employees must contact the Britam Group Head of Compliance through their respective Risk & Compliance Managers in the event that a conflict of interest arises which cannot be easily resolved satisfactorily through communication with the client or where a conflict arises which is contentious or may be the subject of dispute.

All Directors must comply with the Conflict of Interest policy embedded in the Board Charter.

## **1. Scope and Purpose of the Policy**

### **1.1. Scope**

This policy shall apply to all business activities carried out by all Officers and employees of the Britam Group.

The Conflict of Interest Policy contains a comprehensive, although not exhaustive, list of scenarios in which conflict of interest considerations need to remain at the forefront of the minds of employees.

### **1.2. Purpose**

This policy outlines the Board's approach to ensuring that Britam takes reasonable practicable action to:

- Identify all potential sources of conflict of interest
- Avoid and/or prudently manage all actual and potential conflicts of interest disclosed
- Disclose, where required conflicts of interest that may arise.

## 2. Types of Conflict of Interest

A Conflict may exist when the interests of the Britam, a Director, an Employee or a Client oppose one another. Conflicts pose risks that professional decisions or actions will be unduly influenced by personal or other motivations which have the potential to damage client or Britam's interests.

In addition, even where no actual conflict is present, the appearance of a conflict may pose the risk of damage to the Britam's client relationships or reputation.

Britam provides that conflicts arise in four different conflict types and across seven conflict categories.

### 2.1. Conflict Types

Below we articulate the 4 **general parties** with competing interests

1. **Britam vs. Client:** Where Britam's interest may be opposed to one or more Clients' interests.
2. **Employee / Director vs. Client:** Where an Employee's interests may be opposed to one or more Clients' interests.
3. **Client vs. Client:** Where a Client's interest may be opposed to the interests of one or more other Clients
4. **Employee / Director vs. Britam:** Where an Employee's interests may be opposed to Britam's interests.

### 2.2. Conflict Categories

Below we articulate the 7 **general substantive issues** which a particular conflict raises:

1. **Material Non-Public Information**  
Conflict arising from the potential use of Material Non-Public Information (MNPI) by an employee for the benefit of Britam (for example, through front-running a client trade) or for the benefit of the employee individually (for example, through trading for the benefit of their personal account).
2. **Dealings between related parties and interests, and client accounts**  
Conflict arising from transactions between related parties / interest of Britam and client accounts potentially represent self-dealing.
3. **Dealings with affiliates, and related parties and interests**  
Conflicts in which Britam, acting on the client's behalf, engages with related parties and interests of Britam, which potentially may not be in the client's best interest.
4. **Dealings with third parties / suppliers that result in financial benefit to related parties and interests**  
Conflict in which Britam receives financial benefit, in the form of either direct or indirect compensation, from a third party and / or supplier for an agreed arrangement

(for example, obtaining services, outsourcing services, directing trading to exchanges) which could affect Britam's exercise of its best judgement, and therefore potentially may not be in the client's best interest.

**5. Client Management**

Conflict arising in the management of the client account (including providing recommendations, advise, setting fees, or selling / cross selling product / services offerings) in a manner that is potentially not in the best interest of the client.

**6. Conduct**

An individual action or decision by an employee (for example in managing gifts and entertainment, complaints, personal political activities, or their personal relationships or outside business activities) that may conflict with the interests of Britam or the client. (For more information, please refer to the Britam Code of Conduct).

**7. Trading & Portfolio Management**

Conflict may arise in the management of Britam's trading activities, whether proprietary or on behalf of clients, where Britam may benefit from certain activities that are not in the best interest of the client-including but not limited to, potential fraud or market manipulation.

A conflict of interest can be:

- **Actual:** one that is present, demonstrable and requiring management measures to be taken if Britam, its employees or Directors are to continue the activity contemplated
- **Potential:** where existing circumstances could give rise to a conflict of interest in the future
- **Apparent:** one that may not be actual or potential but may be considered in the mind(s) of one party or parties to the arrangement or to external parties to represent a conflict

This Policy relates to conflicts of interest that may arise when Britam, its employees or Directors owes legal duties to another person (legal or natural).

Conflicts of interest may not always be clear-cut and if there are any concerns, questions or queries in relation to a matter immediate advice must be sought. Employees should speak in the first instance to their respective Risk & Compliance Manager who will liaise with the Britam Group Head of Compliance.

### 3. Governance

<b>Executive and Senior Management</b>	<p>Management is responsible for:</p> <ul style="list-style-type: none"> <li>▪ Understanding and complying with this policy and procedure and ensuring staff are aware of the policy</li> <li>▪ Being aware of areas of conflict of interest within their areas of responsibility, assessing risks and advising the Group Head of Compliance or the Group Chief Risk &amp; Compliance Officer.</li> <li>▪ Disclosing and managing any actual, perceived or potential conflicts of interest in accordance with this policy, including reviewing disclosed conflicts on at least an annual basis to ensure that information remains correct and that the management responses continue to be appropriate and effective.</li> <li>▪ Assisting staff who have queries about actual, perceived or potential conflicts of interest.</li> <li>▪ Seeking advice or support from the relevant officers, where necessary.</li> </ul>
<b>Group Chief Risk &amp; Compliance Officer</b>	<ul style="list-style-type: none"> <li>▪ Communicate the Conflicts of Interest Policy to Business Unit Heads and divisional stakeholders to ensure adequate awareness of their obligations and facilitate training into the business.</li> <li>▪ Undertake oversight of business application of the Conflicts of Interest Policy, including performance and effectiveness on a risk based approach</li> </ul>
<b>Business Unit Risk &amp; Compliance Managers</b>	<ul style="list-style-type: none"> <li>▪ Business Unit Risk &amp; Compliance Managers own, develop and maintain the Conflicts of Interest Policy, Standard Operating Procedures and operational tools to facilitate compliance risk management activities.</li> <li>▪ Undertake a central coordination role to ensure the effective identification and management of conflicts as appropriate.</li> <li>▪ Provide oversight of the implementation of this Policy within their respective Business Units.</li> <li>▪ Provides insights and advice based on subject matter expertise and its Group wide view.</li> </ul>
<b>Group Head of Compliance</b>	<ul style="list-style-type: none"> <li>▪ Reports on insights on the management of compliance risks and the overall compliance risk profile and level of compliance across the Group.</li> </ul>

**Employees and Officers of Britam**

Employees and officers of Britam are responsible for:

- Understanding and complying with this policy
- Assessing their own private and personal interests and whether they conflict or have the potential to conflict with Britam Group's interests, including their own duties as staff members
- Disclosing and managing any actual, perceived or potential conflicts of interest in accordance with this policy.
- Not making decisions or seeking to influence the decisions of others in matters relating to the employees' private interest.

## 4. General Policy Statements and Expectations

Britam Group recognizes that a well-established system for identifying, disclosing and managing conflicts of interest increases its accountability to its stakeholders and reduces the risk of corruption, misconduct and bias in its operations and decision-making processes. Britam Group also recognizes that conflicts of interest are not unusual and cannot always be avoided. Britam Group therefore expects the following:

- All Directors, employees and officers to act with honesty and integrity
- Directors, employees and officers will not allow their external, personal or financial interests or their duties to any external entity to compromise their duties, obligations and responsibilities to Britam Group.
- **All conflicts of interest, regardless of their character or level, will be identified, disclosed and managed.**
- That any gifts, benefits / sponsorship/ hospitality or service will not be accepted by Directors, employees and officers if the intention is to influence current or future behaviour of staff or an individual within Britam Group. (see also the Britam HR Manual regarding the Gifts policy)
- Where a conflict occurs, the interests of Britam Group will be balanced against the interests of the Director, employee or officer. Unless exceptional circumstances exist, the balance of interests will be resolved in Britam Group's favour
- Managers, when notified of a conflict of interest, will deal promptly with the conflict as per this policy and procedure and put in place arrangements that protect the integrity of Britam Group's processes and decision making.

## 5. Managing Conflict of Interest

This policy requires that each entity in the Britam Group, its Directors and employees must:

- Identify and analyse potential, actual and perceived conflicts of interest and take action to avoid (where required) or manage them;
- Control confidential information;
- Comply with all relevant legal and regulatory requirements in connection with the management of conflict of interest; and
- Treat all Britam clients fairly and honestly;

Minimum requirements for the following keys steps for managing conflicts of interest are outlined below;



### 5.1. Identify and Analyse

#### Identifying Conflicts

- All Britam directors and employees must consider actual, potential and apparent conflicts of interest in connection with their daily business activities. Should a conflict arise, it must be avoided (where required) or managed in accordance with this policy and any other applicable procedures.
- Prior to the appointment of a service provider, a thorough review of all potential conflicts of interest and how they might be managed must be undertaken and appropriate action taken.

- All Britam directors and employees must consider actual, potential and apparent conflict of interest that may arise in their personal capacity. These could include personal interests or external directorships which may compete or be inconsistent with or diverge from some or all of the interests of Britam or its clients.

### **Personal Account Dealings and Gifts and Entertainment**

- Prior to the receiving or giving of gifts and entertainment, all Britam directors and employees must:
  - Consider whether such gifts or entertainment might influence or compromise their judgement in the performance of their roles or feel obliged to Britam;
  - Obtain approval from their direct supervisor where required and/or seek guidance where required;
  - Be sure that the gifts or entertainment does not represent an inducement to conduct business.
- Legal prohibitions may apply to the acceptance of gifts, entertainment or other non-monetary benefits given. In this is the case, then a Britam employee or director shall not, in any circumstances, give or accept a benefit (including gifts or entertainment) in contravention of the law.

### **Analysis**

All identified actual, potential or apparent conflict of interest must be considered on their own merits taking into account all relevant circumstances. Analysis must at least address:

- The nature and type of conflict
- The circumstances which have given or may give rise to the conflict
- The relevant parties involved in the conflict
- The potential effect of the conflict on a customer and / or Britam and whether the conflict can or should be avoided (see Section 5.2 below); and
- How the conflict can be managed.

## **5.2. Avoid Conflict?**

**IMPORTANT NOTE:** certain conflicts of interest may have such a serious potential impact on Britam and/or its customers that the only way for Britam to adequately manage those conflicts is to avoid them. In the case of these conflicts of interest, merely disclosing the conflict and applying internal controls will be inadequate and such conflicts must be avoided

Britam must have adequate arrangements for the management of conflicts of interest. In many cases a conflict of interest can be adequately managed by Britam's internal controls, which may include mechanisms such as disclosure and information barriers (see section 5.3 below).

Britam's conflicts management arrangements enable the company and employees to identify conflicts of interest that cannot be adequately managed and must be avoided. If a particular conflict cannot be adequately managed by one or more of the Group's control measures, including:

- following the processes and procedures for controlling conflicts set out in this Policy;
- creating a Chinese Wall Structure;

- requiring and obtaining prior approval and /or due diligence before the relevant arrangements can proceed;
- disclosing the relevant conflict in accordance with the relevant disclosure procedure;
- deal team segregation;
- restricting personal account dealing;
- ensuring that Britam employees or Directors do not benefit inappropriately from the improper performance of their role,

then, that conflict of interest must be avoided.

### 5.3. Control

Where a conflict is identified, it must be managed (either by avoiding the conflict or applying appropriate controls). Examples of the types of management alternatives are set out in the table below. This list is not exhaustive.

Avoid	<ul style="list-style-type: none"> <li>▪ Where this Policy requires the avoidance of a conflict rather than management through disclosure and/or other means, it must be avoided.</li> <li>▪ Where a conflict of interest may have a serious potential impact on the Group or a customer and cannot be managed by way of internal controls and/or through disclosure, it must be avoided.</li> <li>▪ For example, a business unit may decide not to participate in a transaction in order to avoid a conflict of interest; a Britam employee or Director with a business or personal conflict of interest removes him/herself, or is removed, from further involvement in the transaction that could give rise to the conflict of interest; for a Britam Director, where a conflict of interest is declared in a particular agenda – the Director recuses themselves from the discussion .</li> </ul>
Control	<ul style="list-style-type: none"> <li>▪ Some temporary conflicts of interest can be managed by implementing measures that eliminate the adverse impact of the conflict such implementing information barriers known as Chinese Walls. Chinese Walls ensure the integrity of various business areas and that potential conflicts of interest are properly managed and clients’ interests are preserved at all times.</li> <li>▪ Chinese Walls include restrictive access control to certain areas, separate IT systems and IT folders, IT access control policy and “Clean Desk” policy.</li> <li>▪ There may be some circumstances where conflicts are managed by a combination of internal controls and/or disclosure to customers. The appropriate use or combination of internal controls and/or disclosure will depend on the individual circumstances of the case.</li> <li>▪ Specific instances of conflict of interest may require management intervention in addition to the documents controls in place. These can include escalation to the Board of Directors for a decision on how the conflict should be managed, if it cannot be avoided by disclosure or declining to act.</li> </ul>
Disclose	<ul style="list-style-type: none"> <li>▪ All Britam Employees and Directors must disclose personal or business conflicts at least annually and as and when that conflict is identified</li> </ul>

	<p>analysis of whether such conflicts can be managed will be undertaken and appropriate action plans must be put in place.</p> <ul style="list-style-type: none"> <li>▪ For Board directors, a conflict of interest register shall be maintained by the company secretary where all conflicts declared during meetings are recorded.</li> <li>▪ For Britam employees, a conflict of interest register shall be maintained by the Group Head of Compliance where personal or business conflicts are disclosed either annually or as and when they arise.</li> <li>▪ Where a conflict relates to dealings with a customer, sometimes the conflict can be managed with disclosure of certain information to the customer during or before a transaction is entered into. Appropriate disclosure to a customer may follow an individual having reported the conflict of interest affecting them, unless another mechanism is selected to manage the conflict of interest. Disclosure alone will not usually be sufficient to manage a conflict of interest.</li> <li>▪ Where it is determined that a conflict can be managed in whole or in part by way of disclosure, that disclosure must: <ul style="list-style-type: none"> <li>○ be timely, prominent, specific and meaningful to the customer</li> <li>○ occur before or when the relevant service is provided, and in any case at a time that allows the customer a reasonable time to assess its effect and</li> <li>○ clearly identify the specific service to which the conflict relates.</li> </ul> </li> <li>▪ Disclosure must be sufficiently specific and clear for the customer to understand the conflict and its potential impact on the service they are being offered and to provide fully informed consent in respect of that disclosure. Written disclosure is preferred.</li> <li>▪ A register of disclosure of conflicts of interest to customers shall be maintained by the respective Business Unit Risk &amp; Compliance Managers.</li> </ul>
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The appropriate control measures for a specific conflict of interest will vary, depending on the circumstances and the nature of the relevant conflict. Appropriate control measures may include:

- Disclosing the conflict of interest to the relevant person(s);
- Declining to provide specific services to a particular customer;
- Establishing information barriers or implementing deal team segregation e.g. allocating alternative Britam employees to the relevant customer matter, transaction or project, closing shared network folders;
- Ensuring the separate supervision of Britam employees whose principal functions involve serving customers whose interests may conflict; and/or
- If necessary, initiating internal or external disciplinary action.

Britam employees should contact their respective Risk & Compliance Managers or the Group Head of Compliance for further assistance.

Where a decision on the management of a conflict of interest and/or associated reputational or legal risk to the Group is unable to be reached within a Business Unit, the conflict of interest must be escalated to the Group Head of Compliance or the Group Chief Risk & Compliance Officer for assistance in resolution.

The Group Head of Compliance will assume a central coordination role to ensure the effective identification and management of cross-business units and divisional conflicts.

## 5.4. Disclose

All Britam employees must remember that disclosure alone will not necessarily constitute adequate conflict management in all circumstances.

In any case where it is assessed that disclosure will form a necessary part of managing a conflict, all Britam employees must ensure that they do not breach the confidentiality of a customer in making a disclosure to another or contravene any applicable information security requirements, including where customer consent has been offered or given.

Where a serious conflict has arisen and the only way to adequately manage it is to avoid the conflict, Britam may need to disclose to the relevant customer that it is unable to provide the relevant service.

For further information, contact the respective Risk & Compliance Manager or the Group Head of Compliance.

Disclosure must be sufficiently specific and clear for the customer to understand the conflict and its potential impact on the service they are being offered and to provide fully informed consent in respect of that disclosure. Written disclosure and written acceptance is preferred.

## 5.5. Document

Each Group entity, Division and region must keep and maintain comprehensive written records in connection with conflict management.

These records must include:

- Details of identified conflicts of interest, including relevant Britam employees or Directors and customer details and the date identified;
- A summary of the nature of the conflict of interest and the rationale behind the decision to either avoid the conflict or manage it through controls (information barriers, disclosure, etc.);
- Copies of any reports given to Britam senior management about conflicts of interest;
- Where a decision is taken to manage a conflict of interest, including temporary arrangements put in place, details of the action plan to manage the conflict of interest;
- Copies of any written conflicts of interest disclosures given to Britam customers, publicly available documents containing conflict disclosures, and file notes of any oral disclosures; and
- Any events or breaches, actions taken and the outcome.

Where the Group is not able to adequately manage a conflict through controls, documentation must include details of:

- the reasons for the decision not to manage the conflict of interest in that way; and
- therefore, any actions taken or to be taken to ensure that the conflict is avoided.

Documentary records must be maintained for a minimum of 7 years after the later of the cessation of the conflict of interest or the relationship and in accordance with the Britam Document Retention policy.

Each Business Unit must also ensure that employees are adequately trained in relation to identifying and managing conflicts of interest.

## **5.6. Monitoring**

As set out in the Standard Operating Procedures, Performance Units and regions must implement measures to monitor, review and demonstrate:

- compliance with their conflicts of interest arrangements, including monitoring the action taken to identify and manage conflicts of interest, and reviewing the adequacy of actions taken when circumstances change and also when testing shows that our conflicts arrangements are not adhered to; and
- the ongoing adequacy and effectiveness of the controls in place for identifying, reporting and managing conflicts of interest.

## **5.7. Reporting**

The Risk and Compliance function must report on the effectiveness of conflict of interest management to relevant risk committees no less than annually. This can be incorporated into standard compliance reporting

## **6. Failure to Disclose a Conflict of Interest**

### **6.1. Breach of this policy**

Directors, Employees and Officers of Britam Group have an obligation to disclose and manage conflicts of interest. Failing to comply with this policy, including refusal to take any reasonable action as directed to resolve a conflict of interest may constitute misconduct or serious misconduct which may result in disciplinary action or termination of employment.

Breaches of this policy may also result in referral to, and action being taken by, an external statutory authority and /or agency.

### **6.2. Material Non-Disclosure or False or Misleading Disclosures**

Directors, Employees and Officers of Britam Group have an obligation to disclose conflicts of interest. Material non-disclosure or the filing of false or misleading disclosures shall constitute serious misconduct which may result in disciplinary action or termination of employment.

### **6.3. Whistleblowing**

If a Director, Employee or Officer of Britam Group has knowledge that a conflict of interest may exist that may not have been disclosed, they should discuss the situation with a relevant supervisor or Manager, or consider taking action under the Britam Groups Whistleblowing Policy.