

Equiniti Group Conflicts of Interest Policy

Introduction

For the purposes of this policy, a conflict of interest is a situation where competing obligations or motivations of persons result in, or are likely to result in, one of the following outcomes:

- A client (meaning both Corporate clients e.g. Tesco and retail clients, i.e. individuals) is disadvantaged / makes a loss when Equiniti Group ('the Group') and connected persons (where "the Group and connected persons" hereon includes its employees, suppliers, outsourcers, contractors or any person directly or indirectly linked to them by control, including Advent or another company owned by Advent) is at an advantage / makes a gain; or
- A client is disadvantaged / makes a loss when an employee of the Group and connected persons makes a gain at the expense of the Group; or
- A client is disadvantaged/ makes a loss when another client is at an advantage/ makes a gain.

Objectives

To ensure that the Group's conflicts of interest are identified, managed and, where appropriate, disclosed in order to ensure the fair treatment of clients, the development of deep and long lasting client relationships, to reduce the risk of client disadvantage and reduce the risk of legal liability, regulatory censure or damage to the Group's commercial interests or reputation.

Scope

The requirements of this policy apply to all services, activities and client types controlled by the Group. Therefore it applies to arrangements both within the Group and external to the Group (e.g. due to outsourcing arrangements etc. or across Advent owned companies resulting in conflicts affecting the Group).

The Markets in Financial Instruments Directive requires us to identify conflicts of interest during the course of carrying out investment services and activities or ancillary services, and insurance mediation activities which for the Group are:

- Dealing in investments as agent
- Reception and transmission of orders in relation to one or more financial instruments;
- Safekeeping and administration of assets; and
- Assisting in the administration and performance of a contract of insurance.

Out of scope

Nothing is out of scope of this policy; it extends to all businesses, operations and support functions across the Group.

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Policy Requirements

Identification

All actual and potential conflicts of interest must be identified that may cause a material risk of damage to the interests of a client. The Group's senior management are responsible for determining what amounts to a 'material risk of damage'. To support this policy a Conflicts Identification and Management Map is maintained by the Equiniti Group Compliance & Risk team ('Compliance & Risk') – the 'Conflicts of Interest' section of Compliance & Risk's website contains a link to this.

When considering whether a conflict of interest does, or has the potential to exist, the Group takes the following into account, as a minimum:

- Is the Group or connected persons likely to make a financial gain, or avoid a financial loss, at a client's expense?
- If the Group is providing a service to the client, does the Group or connected persons have an interest in the outcome of that service which is separate and distinct from the client's?
- Does the Group or connected persons have a financial or other incentive to favour the interests of one client (or group of clients) over the interests of another client?
- Does the Group or connected persons carry on the same business as the client?
- When providing a service to a client, does the Group or connected persons receive any inducement (e.g. gifts or services) from any third party other than the standard commission or fee for that service?

The Group's personnel must be demonstrably aware of the conflicts of interests arising in their area at all times. Ensure procedures are in place for the immediate identification, management and recording of new actual or potential conflicts of interests, for example those arising in the event of:

- The launch of or substantial change in a service, activity or product;
- The expansion of the customer base to include new and differing types; or
- A change in regulation and/or market practice.

Reporting Conflicts

If you identify a possible conflict of interest, refer initially to your Line Manager, who should raise the issue with their Senior Manager to assist in the assessment of a material risk of damage and send a completed Conflict of Interest Notification Form – [Appendix A](#) in this document – together with full details to allow Regulatory Scrutiny, of:

- corrective and preventive actions;
- how these actions were considered appropriate;
- any conditions imposed; and
- whether there are still on-going conflicts, how these are being managed and advised to the client;
- promptly to the Compliance & Risk for inclusion within the reports reviewed by the Board of Directors.

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Compliance & Risk reports cross-Advent conflicts to Advent.

Management of Conflicts

Each conflict of interest identified must be managed and monitored. Senior management should ensure that conflicts of interest identified are managed and monitored in an effective and appropriate manner. A record of the controls used to manage conflicts of interest is maintained in the Conflicts Management Map which is updated as appropriate and at least annually.

The following **types of control** are examples of those suitable for managing conflicts of interest:-

Control of information.

Prevent/control the exchange of information between opposing sides of a conflict of interest e.g. by establishing a Chinese wall.

Separate supervision.

Subject the individuals on opposite sides of a conflict of interest to separate supervision.

Removal of remuneration links.

Remove direct links between the remuneration of individuals on opposite sides of a conflict of interest.

Control over inappropriate influence.

Preventing the inappropriate influence of one individual over another e.g. where the person who decides or influences an individual's bonus may exert undue influence over that individual's integrity of judgement.

Segregation of duties.

Preventing/controlling the involvement of individuals in simultaneous/sequential tasks e.g. portfolio decision making and calculating performance.

It is not enough merely to implement one, or a combination, of the above types of control. At all times, consider whether an **appropriate level of independence** has been achieved between the opposing sides of a conflict of interest. If necessary adopt alternative/additional measures and carry out remedial action.

Declining to Act.

Equiniti Group should in particular consider whether declining to act would be the most reasonable step where it is not possible to manage a conflict (seek further advice from Compliance & Risk).

Compliance & Risk undertakes an annual review of actual and potential conflicts advised to the Board of Directors, and how they are managed / mitigated. The review considers whether

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there are any trends or issues arising, conflicts with known or developing Regulations and the Group's policies and the need for any amendments to procedures.

Disclosure

Where the controls implemented are not sufficient to ensure, with reasonable confidence, that risks of disadvantage to existing or potential clients will be prevented, disclosure the nature of the conflicts of interest arising to them **prior** to undertaking business is required. Clients must be given the opportunity to decide on whether or not to continue their relationship with the Group with no unreasonable obstacles.

For investment services and ancillary services **we must not consider disclosure to the client at the outset as a way of managing conflicts it should be method of last resort**. Although a general warning in product literature to cover non-identified conflicts of interest is acceptable to protect the Group's interests.

Seek approval of all such disclosures from Compliance & Risk before being made to the client or including in product literature. You may respond to requests for details of our Conflicts Policy by sending a copy of the summary conflicts policy.

Record keeping

Maintain the following documentation for a minimum period of five years:

- This policy, and any functional variations if applicable
- The Conflicts Log and the Conflicts Identification and Management Map;
- Rules, procedures and processes;
- Training material and training records;
- Conflicts of Interest Notification Forms;
- Details of any review work carried out (including any decisions made on conflicts management); and
- Any other documentation used to demonstrate the management of conflicts of interest.

Summary Conflicts Policy

When carrying on designated investment business with a retail client the Group should provide the retail client with a summary of the Conflicts Policy. This should be provided to the retail client in good time and prior to the provision of designated investment business to the retail client. The Summary Conflicts Policy wording, found on the Compliance & Risk website page (and in [appendix B](#)), should be used without significant alteration, unless an alteration has been approved by Compliance & Risk.

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Responsibilities	
Chief Executive Officer	Clearly allocating responsibility and delegating authority to accountable individuals to ensure that those involved are aware of their involvement and that the Conflict Officer has a sufficient level of authority and independence in order to carry out their responsibilities effectively.
Senior Management	<p>Fully engage in the implementation of policies, procedures and arrangements for the identification, management and on-going monitoring of conflicts of interest.</p> <p>Adopt a holistic view to ensure the identification of potential and emerging conflicts within and across business lines and to ensure that informed judgements are made with respect to materiality.</p> <p>Raise awareness and ensure compliance of relevant individuals by ensuring:</p> <ul style="list-style-type: none"> • regular training (including to contractors and third party service providers' staff) both at induction and in the form of refresher training, • the clear communication of policies, procedures and expectations, • awareness of conflicts procedures forms part of the performance review/appraisal process, and • best practice is shared throughout the Group. <p>Sponsor robust systems and controls and effective regular reviews to ensure that strategies and controls used to manage and mitigate risks remain appropriate and effective and that appropriate warnings and disclosures are issued to clients where necessary.</p> <p>Utilise management information to remain sufficiently up-to-date and informed.</p> <p>Support an independent review of the processes and procedures in place.</p>
The Conflicts Officer	<p>The Group's Conflicts Officer is the Compliance & Risk Director who is responsible for the day to day management of the implementation of this policy. In particular, he, or his delegate, is responsible for:</p> <ul style="list-style-type: none"> • establishing the policy in relation to conflicts of interest; • providing training oversight and aids • monitoring compliance with arrangements; • the oversight of conflicts management; • maintaining records in relation to conflicts of interest; • reviewing and challenging the Conflicts Identification and Management Map; and • providing appropriate internal reporting to the Board of Directors

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	Where line management cannot resolve a conflict to the satisfaction of all parties, the Compliance & Risk Director will, as the Approved Person with responsibility for Compliance and Risk, and Equiniti’s designated Conflicts Officer, have the final say.
Individuals:	Identify new conflicts of interest arising out of the activities/services that they perform and engage in the process to notify line management upon identifying any potential conflict

Version Control

Version	Date	Author	Comments
1.0	September 2007	Jack Boulton, Manager Compliance	Equiniti Separation Policy
2.0	June 2011	Simon Wadey, Manager, Compliance & Risk	Policy review
3.0	August 2011	Simon Wadey, Compliance & Risk	Adoption of Group based policy
4.0	April 2013	Martin White, Compliance & Risk	Policy review, inclusion of reporting form into document
4.1	August 2013	Martin White, Compliance & Risk Solutions	Minor amendments following review by Compliance & Risk Director

Appendix A – Equiniti Group Conflicts of Interest Notification Form

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Section A	
Name	Senior Manager
Business Unit	Director
Date Conflict Notified	
Conflict Type	
Description of conflict / risk	
Business Unit(s) affected within Equiniti Group	Is this a potential or actual conflict? Potential / Actual
Is this a conflict between the interests of Equiniti Group or connected persons <u>and</u> the interests of a client(s)? Yes / No	Is this a conflict between one client of Equiniti Group <u>and</u> another client? Yes / No
Is this a conflict between the interests of an employee of Equiniti Group or connected persons and Equiniti Group itself? Yes / No	Is this a conflict between Equiniti Group and Advent or a firm owned by Advent, which may potentially lead to customer detriment? Yes / No
Please specify if any third party linked to Equiniti Group by control is involved.	
Risk assessment (high, medium or low) taking into account: -the potential adverse impact on a client i.e. Is it material for the client (not Equiniti Group) -the likelihood of the conflict occurring	High / Medium / Low
Controls applied to resolve, mitigate or control conflict risk	
Residual Risk - High / Medium / Low	
Monitoring mechanism	Frequency of monitoring
Signature (of the Senior Manager responsible for the conflict):	

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Section B (to be completed by Equiniti Group Compliance & Risk)	
Reference Number	Date of entry to the Management Map
Escalation to the Board of Directors (Date and details)	
Name Date	Signature

Appendix B – Equiniti Group Conflicts of Interest Policy Summary

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- .1 Equiniti Group has established and implemented a Conflicts Policy (which may be revised and updated from time to time) in line with Financial Conduct Authority rules, which sets out how Equiniti Group must seek to identify and manage all material conflicts of interest. Such conflicts of interest can occur in Equiniti Group's day to day business activities, for example, where one of its clients could make a gain at the direct expense of another client, or Equiniti Group might be faced with an opportunity to make a gain but this would be to the direct disadvantage of one or more of its clients.
- .2 Depending on the exact nature of the conflict of interest involved, Equiniti Group may take certain actions in accordance with the Conflicts Policy to mitigate the potential impact of the conflict. Such actions may include putting in place controls between the opposing sides of the conflict, which may control or prevent the exchange of information, and/or involve the appropriate management of staff activities and segregation of duties. Where such controls would be insufficient to eliminate the potential material risk of damage to clients from specific conflicts, then Equiniti Group will disclose the general nature and/or source of those conflicts of interest to you prior to us undertaking the relevant business.
- .3 You'll find full details of the Equiniti Group Conflicts Policy on our website at xxx, or you're welcome to contact us and ask us for a printed copy.
- .4 At the time of the issue of this document [EITHER no material conflicts of interest were identified which could not be managed in accordance with .1 above. OR the following conflict(s) of interest was/were identified: <insert details of conflicts to be disclosed>]