

## 1. Introduction

- 1.1 The Society is committed to identifying and effectively managing conflicts of interest that may arise in the course of its business. This policy details how we achieve this and comply with our legal and regulatory obligations.
- 1.2 It is the responsibility of our employees (temporary or permanent), agents or contractors (employees) to familiarise themselves with the contents of the policy and adhere to it.
- 1.3 We are committed to maintaining the highest professional standards and principles in providing our services and in doing the right thing by all of those with an interest in our business.
- 1.4 This policy forms part of the Society's Anti-bribery & Corruption policy and is approved by the Audit, Risk & Compliance Committee on behalf of the Board.

## 2. Identifying Conflicts

- 2.1 Conflicts of interest may arise when we are providing our services. In deciding whether there may be a conflict of interest to which this policy applies, we consider whether there is a significant risk of damage to a member, considering whether:
  - 2.1.1 we are likely to make a gain or avoid a loss at the expense of a member.
  - 2.1.2 we have an interest in the outcome of a service which is different to that of the member.
  - 2.1.3 we have an incentive to favour the interest of one member over another: or
  - 2.1.4 we receive an inducement in relation to our services provided to members.
- 2.2 We will follow our procedures when identifying actual or possible conflicts of interest. It is the responsibility of all our employees to consider whether their activities may give rise to a conflict of interest, and to report any instances to the Anti-bribery & Corruption Officer, the Governance & Compliance Manager.

## 3. Types of Conflict

- 3.1 We have considered our services and activities, and decided that the following circumstances are examples of the types of situation that may give rise to conflicts of interest.
  - 3.1.1 Acting for more than one member  
There may be a conflict when we are acting on behalf of two or more members in the same transaction and receiving fees or charges from those members for that transaction.
  - 3.1.2 Our own interest in investments  
There may also be a conflict when we are acting for members in relation to investments where we also have an interest in those investments. For example, a conflict of interest may arise if we are involved in a new rights issue for an investment or if we carry out a transaction for a member where we have knowledge of other actual or potential transactions in that investment or are trading, dealing or market-making in that investment.
  - 3.1.3 Business relationships  
There may be a conflict if we have any business relationships with, or interests in, the issuer of any investments bought or sold for members (including buying, selling or promoting our own in-house funds). There may also be a conflict if we allow inappropriate business relationships or charging structures with intermediaries who refer members to us to be put in place.

#### 3.1.4 Pay

A conflict may arise if we arrange our pay structures so that there is a direct link between the pay of one employee mainly involved in one activity and the remuneration of other employees mainly involved in other activities.

#### 3.1.5 Oversight

A conflict may arise if our oversight structures allow one employee to inappropriately influence another or oversee someone who is a relative or otherwise closely connected to them. There may also be a conflict if senior management fail to make sure compliance and our audit functions remain independent.

There may be a conflict if we fail to put in place appropriate structures and protection in relation to fee structures and offering or receiving gifts, hospitality, entertainment and other inducements.

### **4. Managing Conflicts**

4.1 We will follow our procedures when managing actual or potential conflicts of interest. Although not a full list, the main measures for conflicts management cover the following areas.

#### 4.1.1 Information barriers

We seek to prevent or control (where relevant) the exchange of information between people involved in activities where sharing that information may harm the interests of one or more members. This is achieved by putting in place information barriers. Broadly speaking, these barriers restrict the flow of information between different parts of our business, either by physically separating different teams of people or by installing IT security measures to restrict access to information.

#### 4.1.2 Trade surveillance and restriction

Compliance keeps an 'Insiders List' which records those employees who are aware of inside information relating to investments. Compliance monitors the personal account dealing of those individuals on the list until they come off it. We also have an effective and established Personal Account Dealing policy.

#### 4.1.3 Oversight

Our oversight structures make sure we separate the supervision of our employees whose main functions are carrying out activities on behalf of, or providing services to, members, from those whose interests may conflict with carrying out those activities, or providing those services. These structures are also designed to prevent any employees from using inappropriate influence over the way in which someone else carries out their activities. Our corporate governance structures make sure that clear and defined reporting lines are in place and compliance and the audit functions remain independent. All employees are required to comply with our policies and procedures which detail responsibilities relating to disclosure, escalation and whistleblowing procedures.

#### 4.1.4 Pay

We have designed our pay policies to remove any direct link between the pay of our employees mainly involved in one activity and the remuneration of, or revenues generated by, different employees mainly involved in other activities.

#### 4.1.5 Gifts and inducements

Employees are prohibited from offering or receiving any gift or inducement which could conflict with the duties they owe to members or which could affect the independence of the person receiving the gift. Depending on certain thresholds, our Anti-Bribery & Corruption and Gifts & Hospitality policies say that all employees must disclose to the Anti-bribery & Corruption Officer, the Governance & Compliance Manager any inducements offered or received.

#### 4.1.6 Investment research

We pay for any investment research we get from other organisations directly and without using member commissions to cover these payments.

### **5. The Role of Compliance**

5.1 Compliance plays an important role in identifying, assessing and managing actual or potential conflicts of interest. The Governance & Compliance Manager is responsible for:

- (i) helping in adjudicating conflicts issues.
- (ii) maintaining the conflicts of interest register which records the kinds of service or activity carried out by us, or on our behalf, in which a conflict involving a significant risk of damage to the interests of members has arisen or may arise.
- (iii) making sure that all our employees are appropriately trained in their responsibilities relating to conflicts.
- (iv) reviewing conflicts reports, reporting issues to the Audit, Risk & Compliance Committee if this is appropriate; and
- (v) overseeing the development and periodic review of products and services in relation to conflicts of interests.

### **6. Implementation and Monitoring**

6.1 This policy is approved by the Board and in implementing this policy, the Board has delegated responsibility for risk management in respect of financial crime to the Audit, Risk & Compliance Committee (see below).

6.2 The implementation of this policy will be supported through ongoing training, the associated procedures and relevant systems and controls. The Society's Governance Framework, oversight activities and the training and test requirements, given on induction and annually, will provide assurance that employees understand their responsibilities.

6.3 Where appropriate, any specific information about crime prevention responsibilities is included within the relevant job descriptions.

6.4 Further detail on our policies and procedures for preventing our involvement in fraud are outlined in our:

- Anti-Money Laundering Policy
- Anti-Bribery & Corruption Policy
- Gifts and Hospitality Policy (inc Inducements)
- Whistleblowing Policy
- Regulations & Financial Policy
- Financial Transaction Policy

6.5 The Society also operates a Risk Register to manage associated risks, which is reviewed regularly in line with the Risk Management policy.

- 6.6 This policy will be reviewed triennially (or more frequently as necessary) by the Governance & Compliance Manager to ensure ongoing relevance and compliance with regulatory or legislative changes and to reflect any lessons learned from both internal and external events.
- 6.7 This policy will be approved by the Audit, Risk & Compliance Committee on the same timescale as that outlined in 6.6 above.

**Document History**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Reason</b>	<b>Content Changed</b>
1.0	November 2021	Lee Davis	Compliance Audit Recommendation	Creation of Policy
1.1	September 2024	Lee Davis	Review	Rebrand