

Randall & Quilter Investment Holdings plc (RQIH)

Statement on Potential Conflicts of Interests

Introduction

RQIH, in common with many insurance and service organisations, provides a wide range of services to a large number of clients through various subsidiaries. We recognise that circumstances may potentially arise in which the interests of a client might conflict with those of another client or with those of an RQIH subsidiary, (e.g. where a client is a competitor of another R&Q company). Accordingly, we have policies and procedures to ensure that should such circumstances arise, that they are effectively identified and managed.

We will never deliberately put ourselves in a position where our interests or our responsibilities to another party prevent us from discharging our contractual and fiduciary duties to you.

Conflict Identification

Pre-engagement – at an early stage we will seek to identify any potential conflict of interests that may exist. We will then either confirm that no conflicts exist and that we are free to act or advise you of the existence of any potential conflicts that have been identified and how we propose to manage them.

Ongoing - RQIH regularly reviews business operations to identify potential conflicts of interests. These are then recorded and assessed, and an appropriate conflict management programme is implemented.

Raised externally – If a client or third party brings a potential conflict of interest to our attention it will be referred to the Group Compliance Officer who will review the circumstances. We will then either confirm that no conflicts exist and that we are free to act or advise you of how the conflicts will be managed.

To the extent that potential conflicts exist they will be categorised and managed, as set out below. This process will be tested through the ongoing RQIH Group Compliance Monitoring Programme and Internal Audit Plan.

Standard Conflicts

Applies only to potential conflicts of interests arising from day to day business operations.

A “toolbox” of standard management techniques are utilised to manage such potential conflicts, including:

- Disclosure of the conflict of interests and where appropriate obtaining permission to act.
- Implementation of information barriers (“Chinese Walls”) – see Statement on Confidential Information
- Segregation of duties
- Declining to act

Non-Standard Conflicts

These are circumstances that arise outside of day to day business operations where potential conflicts identified require more bespoke management. Some examples include where two clients have a competitive tendering situation, or where there are contentious liability claims between two clients.

Whilst in these circumstances it might be inappropriate to disclose the conflict the relevant manager will nevertheless make a report of the circumstance to the Group Compliance Officer who will assess the conflict and establish suitable controls. The Group Compliance Officer is a senior RQIH executive with no specific affiliation to any subsidiary operating company.

Structural Conflicts

Where it is identified that one R&Q Group operating company is a direct competitor of a client of another RQIH operating company then a specific conflict management programme will be developed and shared with the client. Ideally, this will involve the physical separation of activities, IT data separation and the application of information barriers.

R&Q Conflicts of Interests Management Committee

RQIH has formed a Conflicts Committee, chaired by a senior director to assess the results of compliance monitoring and internal audit activity in relation to standard conflicts and to review and provide challenge to the management arrangements for non-standard and structural conflicts. The committee will report to the Board on its conclusions, and is empowered, should the need arise, to direct management to bring a potential conflict to the attention of the affected parties to agree a conflict management programme.

Note: This statement is supplemented by the RQIH Conflicts of Interests Policy and by local policies and procedures to meet local legislative and regulatory compliance requirements.

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Statement on Confidential Information

We recognise that access to confidential information in connection with one business relationship can lead to us acting or appearing to act in conflict with the business interests of another. For example, if one of your main competitors is a subsidiary of RQIH.

Confidential client information is never transferred between RQIH operating companies without the express consent of the client (usually given in connection with providing additional services).

Information Barriers (“Chinese Walls”)

RQIH has established policies, procedures and physical arrangements, (collectively “Chinese Walls”) designed to manage confidential information and prevent its inadvertent distribution misuse or disclosure, or the perception thereof.

In general, Chinese Walls separate RQIH operating companies, and are designed to operate as barriers to the passing of confidential information. Employees within each Chinese Wall are responsible for ensuring that the Chinese Walls are not breached. Known or suspected breaches of the Chinese Wall must immediately be referred to the RQIH Group Compliance Officer. Management will ensure that policies, procedures and physical arrangements are observed at all times. Policies address not only how the Chinese Walls are implemented and maintained but also govern the procedures for crossing the “wall” and the circumstances under which this may be permissible.

General Treatment

Management will ensure that the procedures handling confidential information are communicated to all employees.

We seek to ensure that all our employees understand that they should treat confidential information with due care and that they have a responsibility to safeguard it. Such information must only be used for its intended purpose and must not be used for any personal employee benefit or for R&Q’s general benefit. When passing information, the basis of which it is provided and the purpose for which it is to be used, should be made apparent in all cases.

This responsibility is further confirmed in employment contracts and staff handbooks.

The need to preserve confidential information with measures such as a clear desk policy and safe storage systems are emphasised. Further protections such as the Data Security Policy and the requirement for service providers to sign confidentiality agreements shall also be observed.

Equally, where we have signed confidentiality/non-disclosure agreements, we will strictly observe the terms of these agreements.

IT Data Separation

Confidential information is made available only to those employees who need access and for only so long as they need access. Where common servers and/or storage are employed, appropriate security and access rights are implemented.

Oversight and Assurance

In addition to our own internal testing of controls through our compliance monitoring programme and by our internal and external auditors, we are pleased to welcome external audit of these controls by clients or their appointed auditors.

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