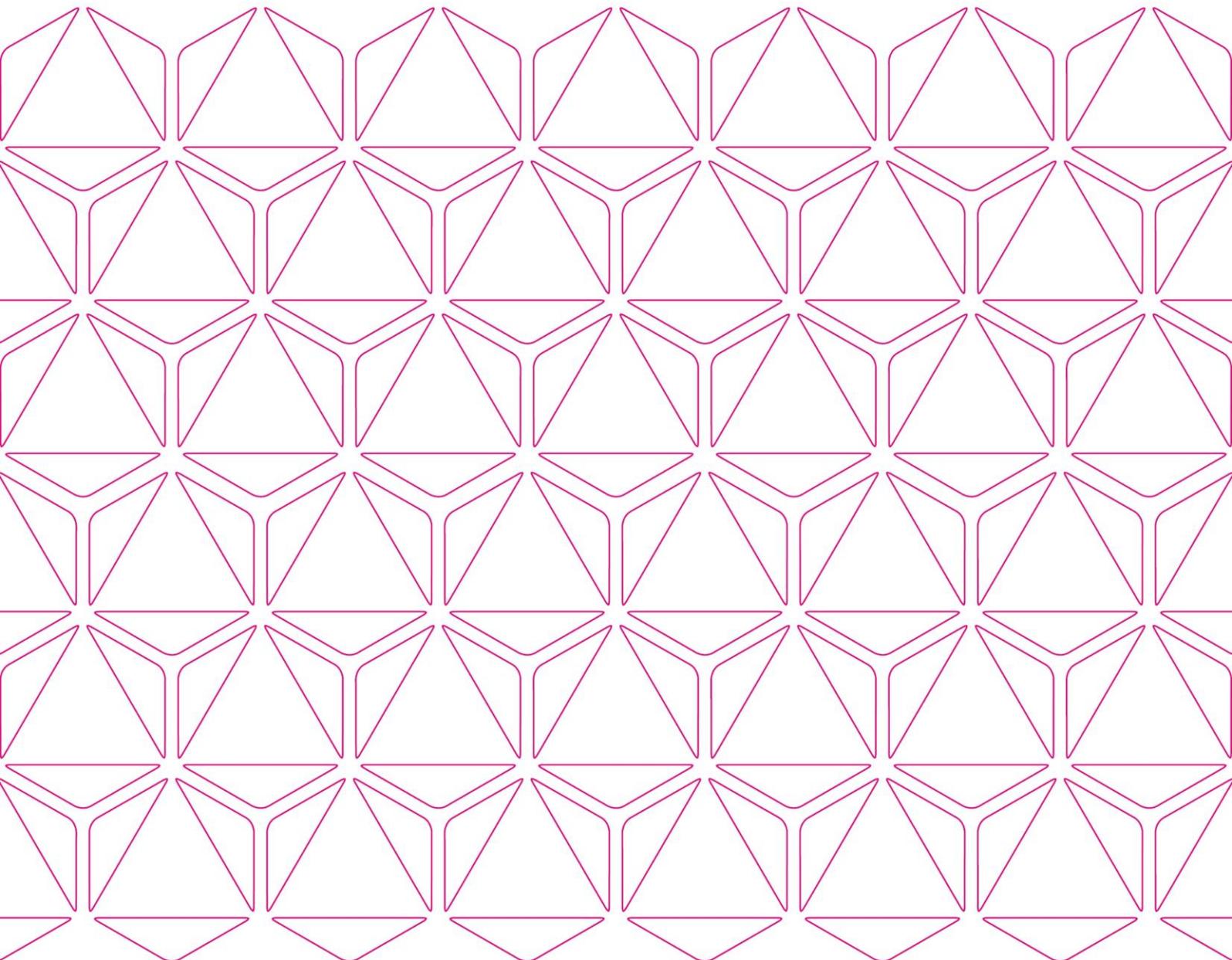


# Conflicts of Interest Policy



Praemium International Limited

Version 2.2 - FINAL  
12 May 2021



# Contents

---

<b>About this document</b>	<b>3</b>
Audience	3
Objectives	3
Scope	3
Related documentation	3
Version Control	3

---

<b>1. Introduction</b>	<b>4</b>
1.1 Regulatory Background	4

---

<b>2. Conflicts of Interest</b>	<b>4</b>
2.1 What is a Conflict of Interest?	4
2.2 Key Considerations	4
2.3 Limitations	5

---

<b>3. Identifying and Managing Conflicts of Interest</b>	<b>5</b>
3.1 Our Measures	5
3.1.1 Policies and procedures	5
3.1.2 Information barriers	6
3.1.3 Separate functions	6
3.1.4 Remuneration	6
3.1.5 Inducements	6
3.1.6 Personal Account Dealing	6
3.1.7 Outside Business Interests	6
3.1.8 Gifts	6
3.1.9 Confidentiality	6
3.1.10 Disclosure	6
3.1.11 Declining to act	6

---

<b>Appendix A – Conflicts notification form</b>	<b>7</b>
---	----------

# About this document

---

## Audience

All employees of Praemium International Limited (PIL) must read and follow this Policy. Failure to do so may result in disciplinary action.

## Objectives

This policy forms part of PIL's commitment to positive and active compliance with the Jersey Financial Services Commission (JFSC) Principles and Rules. It provides information to and explains the regulatory responsibilities of employees regarding any Conflicts of Interest.

## Scope

This Policy applies to PIL in its conduct as an authorised and regulated entity by the JFSC. Praemium is a Jersey regulated entity within the Praemium Group of companies and each of these companies has its own Conflicts of Interest Policy. PIL will apply the requirements of this Policy to ensure that any conflicts arising between PIL and any of these regulated Group companies or any other companies in the Group are managed in line with the Policy requirements.

## Related documentation

All related policies can be found in the [UK & Jersey](#) section of Praemium's Global Intranet.

- » Compliance Manual
- » Gifts and Benefits Policy
- » Personal Account Dealing Procedure
- » Record Retention Policy
- » Breaches Management Policy & Procedures
- » Remuneration Policy
- » Data Protection Policy
- » Outside Business Interests Policy
- » Financial Crime Policy
- » Whistleblowing Policy & Guidelines

The below policy can be found in **Global Practices and Policies** section:

- » Information Security Policy

## Version Control

This document is version controlled by Compliance. It is subject to review on an annual basis and Board approval for any significant changes.

Version No	Status	Draft No	Version date	Description of change	Created by
1.2	Final	1	August 2018	Finalised after first draft	Eilish Baird
2.1	Draft	1	April 2021	Annual review and alignment to UK policy where appropriate	Denise Burke
2.2	Final		May 2021	Final version	Denise Burke

# 1. Introduction

---

PIL will take all appropriate steps to identify and prevent or manage actual or potential conflicts of interest. To help us do this, we have put in place this policy to safeguard our clients' interests.

The purpose of this policy is to:

- » Summarise the potential conflicts of interest that could arise in the course of business between PIL and its employees and its clients; and
- » Outline the controls put in place by PIL to mitigate the risk of adverse outcomes for clients as a result of such conflicts of interest.

## 1.1 Regulatory Background

It is a requirement of the Financial Services (Jersey) Law 1998 and the Code of Practice for Investment Business ("IB Code") IB Code that PIL identifies and manages all actual and potential conflicts and where possible to avoid any conflict of interest arising. In situations where a conflict does arise, PIL must ensure that policies and procedures are in place to manage the conflicts by:

- » Disclosure;
- » Applying internal rules of confidentiality;
- » Declining to act and/or
- » Other measures as appropriate.

The JFSC Guidance Note on [Integrity and Competence](#), July 2018 provides various examples of legal proceedings against firms and individuals where their failure to appreciate or manage conflicts of interest was a key consideration in assessing their lack of integrity and competence. It is therefore of the utmost importance that employees are aware of and understand the importance of identifying and managing conflicts of interest.

# 2. Conflicts of Interest

---

## 2.1 What is a Conflict of Interest?

A conflict of interest occurs where a situation arises in which the interests of one party could be given unfair precedence over the interests of another party. The conflict may arise between PIL and the Praemium group; PIL and its clients or between one client and another.

A conflict of interest includes, but is not limited to the following:

- » Passing client orders to a particular broker because they are a friend, regardless of whether this might impact on providing best execution;
- » Investing in a particular fund because the salesperson offered a substantial gift or entertainment;
- » Engaging a new IFA client because PIL offered them a substantial gift or entertainment;
- » Purchasing external research from a third-party provider. The price may be reduced in order to induce further business from PIL.

## 2.2 Key Considerations

Consideration of the following questions has formed the basis of the controls outlined in this policy:

- » Is PIL likely to make a financial gain, or avoid a financial loss, at the expense of the client?
- » Does PIL have financial or other incentives to favour the interests of one client or group of clients over the interests of another?
- » Does PIL engage in the same business as the client (i.e. as a competitor)?

- » Has an inducement been offered to PIL from a person other than the client in relation to a service provided to that client, in the form of monies, goods or services (other than the standard commission or fee for that service)?

## 2.3 Limitations

PIL has a limited range of activities which reduces the possibility for conflicts to arise, namely:

- » It does not provide any corporate financial advice nor does it supply financing to other companies. PIL generally invests in open ended vehicles and not in investment trusts or shares and is therefore unlikely to come into possession of inside knowledge of the affairs of any other company;
- » PIL does not act as market maker in any investment;
- » PIL does not undertake any proprietary investment research into any directly quoted security; and
- » PIL does not undertake any proprietary trading.

# 3. Identifying and Managing Conflicts of Interest

---

PIL has a clear policy on conflicts of interest to ensure that:

- » Conflicts of interest should be avoided, wherever possible;
- » All employees must disclose actual or potential conflicts of interest to the Senior Risk and Compliance Officer;
- » No employee is permitted to exploit, or appear to exploit, to their personal advantage any personal or professional relationships with a client;
- » All employees must adhere to the Praemium Corporate Code of Conduct which makes specific reference to the importance of managing conflicts of interest.
- » Potential conflicts of interest must be recorded and monitored.

## 3.1 Our Measures

The measures we have adopted to prevent or manage conflicts are summarised below. We consider that these measures allow us to take appropriate steps, to identify and prevent and/or manage actual or potential conflicts of interest. PIL seeks to ensure its employees act impartially to avoid a material risk of harming clients' interests and at all times adopt relevant measures to mitigate conflicts.

### 3.1.1 Policies and procedures

We have adopted policies and procedures throughout our business to prevent and/or manage potential conflicts of interest, as well as to ensure client documents and data remain safe and secure at all times. All employees are provided with the appropriate level of guidance in relation to these policies and procedures, and our senior managers are responsible for ensuring systems and controls in place are robust and remain adequate to identify and prevent or manage any conflict that may arise.

We maintain an up-to-date register of all conflicts and how these are managed so we control potential conflicts and provide an effective way of preventing clients' interests being unfairly affected. This Register receives regular input from the Board and senior management team.

There is a form (attached as Appendix A) for employees to disclose to the Senior Risk and Compliance Officer any potential or actual conflict of interest which may arise during the course of their employment.

These policies and procedures are reviewed on an annual basis or when changes are made to local regulations/rules.

### 3.1.2 Information barriers

All employees must respect the confidentiality of client information and not disclose it or use it inappropriately. In the general course of business. PIL employees are not likely to come into possession of price-sensitive information.

### 3.1.3 Separate functions

We have a division of duties to ensure a separation of tasks between specific administration functions that could contain a potential conflict. Related tasks are undertaken by different team members and receive the appropriate supervision and sign off.

### 3.1.4 Remuneration

PIL recognises that remuneration is a factor that may influence the conduct of employees. All employees are paid by basic salary. Pay and bonuses are linked to a range of relevant factors that form part of our performance management process. The Board ensures any incentives are consistent with the provision of fairness and do not create conflicts. Senior Management and the Board are subject to the group Remuneration policy.

### 3.1.5 Inducements

An inducement could create a conflict of interest where a payment or receipt of the inducement would hinder PIL's obligation to act in the client's best interest. PIL may only accept or pay inducements from or to third parties if:

- » the inducement enhances the quality of the service provided to the client and does not impair our ability to act in the best interests of our clients; and
- » the inducement is disclosed to the client.

### 3.1.6 Personal Account Dealing

To prevent conflicts arising from the use of information obtained from clients, or market abuse in general, all employees are subject to personal account (PA) dealing rules which govern the process they must follow if they wish to make personal investments.

### 3.1.7 Outside Business Interests

All employees are subject to an Outside Business Interests Policy designed to avoid conflicts of interest with activities they undertake outside PIL.

### 3.1.8 Gifts

As part of our commitment to avoiding conflicts of interest, PIL will only permit employees to accept gifts and benefits such as corporate hospitality in accordance with our Gifts and Benefits policy.

### 3.1.9 Confidentiality

In line with our Data Protection Policy and our operational procedures, all information is treated as confidential. Some information (i.e. sensitive data) may only be disclosed to employees where this knowledge is required for the performance of their duties.

### 3.1.10 Disclosure

If there is no other way of managing a conflict, or where the measures in place do not sufficiently protect the client's interests, the conflict will be disclosed to the client to allow for an informed decision on whether the client wishes to continue using our service despite the conflict.

Where we are required to make such a disclosure, we will ensure it is provided to the relevant client in writing, and that the disclosure contains sufficient detail of the conflict, considering the nature of the client in question and the specific risk to the client that may arise. The disclosure will explicitly state that PIL's administrative arrangements are not sufficient to ensure, with reasonable confidence, that the potential risk of damage to the client will be prevented.

### 3.1.11 Declining to act

PIL may decline to act for a client in cases where it believes that the conflict of interest cannot be managed in any other way.

# Appendix A – Conflicts notification form

This form must be given to the Senior Risk and Compliance Officer as soon as possible from when an actual or potential Conflict of Interest is identified. Compliance must also be informed of any changes to the information provided.

Name and position of person making declaration
--

## Details of notification

Background
------------

<b>The potential or actual conflict and the parties involved</b> (describe why there is a conflict and name the individuals or organisations)
--

<b>Likely duration of conflict</b> (e.g. ongoing or specific to an event/transaction)
--

<b>Managing the conflict</b> (Line manager/Director to provide details of how conflict will be managed)
--

Signature of line manager/director .....	Date .....
--	------------

## Declaration and signature

I, by making this notification, declare that I have read the Praemium Conflicts of Interest policy and agree to abide by its contents, and that to the best of my knowledge the information provided above is correct.

Signature of person making declaration	Date
--	------

## Compliance approval

Name of approving Compliance Officer
--------------------------------------

Signature	Date
-----------	------