Redmayne-Bentley’s

Conflicts of Interest Policy

Redmayne-Bentley LLP is Authorised and Regulated by the Financial Conduct Authority (FCA) and is a member of the London Stock Exchange. The services offered encompass general investment, discretionary, advisory and dealing facilities to enable a client to trade in securities and derivatives as defined by the FCA rules. This policy also covers business conducted under any trading name of Redmayne-Bentley.

Introduction 2
What is a Conflict of Interest? 4
Managing and Mitigating Conflicts of Interest 6
Special Interest Records 8
Introduction

Under current regulations firms must establish policies and procedures to ensure that conflicts do not adversely affect a client’s interests or, when this is not possible, inform a client of the conflict so they may decide whether to continue to use that firm.
• FCA Principle 1 requires a firm to conduct its business with integrity.
• FCA Principle 6 requires that a firm must pay due regard to the interests of its clients and treat them fairly.
• FCA Principle 8 requires a firm to manage conflicts of interest fairly.

In the course of business, circumstances may arise whereby the interests of a client conflicts with:
• The firm’s interests.
• The interests of member(s) of staff.
• The interests of another client.
We are committed to treating our clients fairly and follow the principles of the regulations as indicated above. We attempt to avoid putting ourselves in a position whereby our own interests, or our duty to any persons for whom we are acting, conflicts with our duty to a client. However, we recognise that there may be instances whereby conflicts of interest are unavoidable. A conflict may exist even if no unethical or improper act or outcome results from it.
This conflicts of interest policy has been designed to manage such situations, and to ensure that Redmayne-Bentley’s clients are treated fairly. For the purpose of clarity, any reference in this document to employees includes franchisees, associates, staff, staff of franchisees and any working relationship under the umbrella of Redmayne-Bentley.

Senior management responsibility for conflicts identification, management and mitigation
The FCA regulations under senior management systems and controls (SYSC) state that a firm should have measures to prevent or limit any person from exercising inappropriate influence over the way in which a person carries out a regulated activity.
Senior management of Redmayne-Bentley, associates and franchisees are responsible for identifying, managing and mitigating the conflicts of interest that might arise within their business.
• Responsibility for conflicts identification and management should be allocated clearly to accountable individuals.
• Senior management should take reasonable care to establish and maintain such systems and controls as are appropriate to the firm’s business and to implement appropriate processes to enable the firm to manage conflicts of interest effectively.
• The systems, controls and processes for managing and mitigating conflicts should be reviewed on a regular basis.
• Relevant management information should be available to support this process.
For Redmayne-Bentley, this means that senior management, associates and franchisees:

• Are fully engaged in all aspects of conflicts identification.

• Take a holistic view of conflict management within the full range of business activities conducted by the firm.

• Have a means of managing and mitigating conflicts of interest throughout the firm.

• Review the performance of conflict management/mitigation strategies throughout the firm on an ongoing basis.

• Receive management information on the extent, management and mitigation of conflicts of interest in the business in order to control the business effectively.

• Set policy and procedures with a view to embedding a culture which supports conflict management and mitigation.

This policy forms part of Redmayne-Bentley’s strategy for identifying, managing and mitigating conflicts of interest.
What is a Conflict of Interest?

In this context, a conflict of interest is a financial or other type of interest that may result in a decision being made which may not be in the best interests of clients. A firm will inevitably encounter conflicts of interest between the firm and its clients and between different clients, ie:

- The firm holds knowledge in confidence for one client which would benefit another.
- Acting for one client may damage another.
- A firm may be remunerated in a way which encourages it to act against its customer’s interests.
- A firm’s employees may take advantage of client information.

These items are mainly applicable to an ‘integrated house’ with multiple functions; Redmayne-Bentley does not have a corporate finance division, nor does it conduct trades for its own account and it does not normally conduct direct investment research. Where Redmayne-Bentley does conduct specific research and acts as a broker to a firm, this will be divulged on any research notes produced. The only assets held on behalf of the firm are within an error account which is only used to correct any dealing errors that may arise in the course of transacting business for clients.

Where do conflicts of interest arise?

Given Redmayne-Bentley’s business model, the following are examples of the types of situation that might give rise to conflicts of interest:

1. Remuneration Schemes
Incentive schemes that might encourage Redmayne-Bentley staff to advise/undertake transactions irrespective of suitability, or to favour one investment solution over other more suitable ones.

Incentive schemes that might encourage Redmayne-Bentley staff to reject complaints or to pay as little compensation out as possible on upheld complaints irrespective of whether clients are being treated fairly.

2. Commission
Commission arrangements that encourage Redmayne-Bentley to advise or transact more turnover irrespective of the client’s best interests.

3. Firm Discretionary Bonus Scheme
Discretionary Bonus schemes that encourage Redmayne-Bentley staff or its franchisees to reject claims or to pay out as little as possible on claims irrespective of whether clients are being treated fairly.

4. Investment, Fund Management and Sponsorship
In some cases, discretionary managers may be associated with the management or sponsorship of funds they invest in on behalf of clients. This could mean that the suitability of these funds for clients is over-valued at the expense of other funds.

5. Gifts and Other Inducements
Gifts, entertainment, hospitality and other inducements could influence the firm’s Partners, staff and franchisees to do business with one intermediary or one supplier over another, irrespective of clients’ interests.
6. Close Links
‘Close links’ with other firms that may influence Redmayne-Bentley’s decision to do business with one intermediary or one supplier over another, irrespective of clients’ interests.

7. Business Strategy
Senior management’s desire to maximise net profits may be incompatible with their responsibility to ensure that client complaints are handled fairly.

8. Personal Relationships
Personal relationships with clients that influence staff to prioritise one client’s claim or complaint over that of another.

9. Directorships
Directorships and positions of responsibility in other companies that influence Redmayne-Bentley’s procurement and corporate partnership decisions irrespective of clients’ best interests.

10. Financial Promotions
Where Financial Promotions are directed at a selection of or a group of clients that may affect Treating Customers Fairly principles.

11. Research
Where research material is produced a Partner, employee, associate, franchisee or a member of their families may have positions in the security, including derivatives (such as options) in the companies referred to in the published research.

From time to time the author of a research report might be remunerated or commissioned by a firm. As a result, that research should not be considered as independent or impartial and this fact will be disclosed in the report.

12. Personal Account Dealing
Redmayne-Bentley permits all individuals who work for us to have their own accounts and to place stock transactions through these accounts. A Discretionary or Advisory service Executive could trade ahead of clients to their own benefit and to the detriment of their clients.
Managing and Mitigating Conflicts of Interest

Overall approach

• If the Partners, franchisees, associates and employees of Redmayne-Bentley have a relationship that gives rise to a conflict with the interests of any of its clients, it will not knowingly act for that client without taking reasonable steps to ensure the fair treatment of that client.

• The Partners, franchisees, associates and employees of Redmayne-Bentley are required where possible to avoid any action which may involve a potential or actual conflict of interest with clients.

• To this end, the Partners, franchisees, associates and employees of Redmayne-Bentley should not have any undisclosed, unapproved financial or other business relationships with suppliers, customers or competitors that might impair the independence of any judgement they may need to make on behalf of Redmayne-Bentley or its clients.

• Executives who manage or advise on client portfolios are subject to monitoring by management and the Leeds-based Compliance Department.

• A financial promotion is submitted along with evidence of the information used. This is checked and evaluated by a separate, independent, suitably skilled person who is also responsible for confirming the information contained in that promotion.

• Executives preparing research notes on financial promotions are subject to ongoing training, competence requirements and monitoring. Where there is considered to be a conflict or potential conflict, disclosures will be made on research documents.

Reporting of conflicts of interest

1. Duty to Report Conflicts of Interest
Redmayne-Bentley Partners, franchisees, associates and employees are expected to report conflicts or potential conflicts of interest to the Head of Regulation immediately.

2. How to Report Conflicts of Interest
Conflicts of interest are to be reported to the Compliance department by way of a written note and, where it relates to a special interest, this is to be advised by way of a specific internal document.

3. Monitoring of Conflicts of Interest
All connected parties will complete a Personal Account dealing notice which includes details of how to manage personal account transactions. Personal account transactions are independently authorised in accordance with internal rules and are monitored daily by the Compliance department. The monitoring also seeks to identify if any personal account dealing has created any conflicts when dealing ahead of clients, or if transactions have not been booked to a client account in a timely manner.

Executives are required to comply with the policy of independence and to have signed an undertaking to that effect.

Systems and controls for preventing, managing and mitigating conflicts of interest

In addition to the above, Redmayne-Bentley has a number of systems and controls in place to prevent conflicts of interest arising or to manage/mitigate the conflicts of interest that do arise.

Senior management are responsible for identifying the systems and controls appropriate to the business model and for ensuring that those systems and controls are put in place.
Redmayne-Bentley has adopted a three-stage approach to managing conflicts of interest that might arise:

- A policy of independence.
- Disclosing the conflict of interest to the client.
- Where necessary, declining to act for that client.

**Policy of independence**

All Redmayne-Bentley’s Partners, franchisees, associates and employees are required to comply with the policy of independence. Adherence to the policy of independence will ensure that impartial advice is given or independent action is taken at all times. Adherence to the policy of independence may avoid the need to disclose material interests/conflict of interests in relation to a particular transaction or service.

- When advising or acting on behalf of a client, Redmayne-Bentley employees must disregard any corporate or personal relationship, arrangement or interest that is likely to influence, in a manner material to the client, the advice given or action undertaken in relation to the transaction or service in question.
- Remuneration arrangements ensure that a balance is maintained between achievement of trading volume or profitability and quality of performance, adherence to compliance requirements and acting in accordance with the firm’s values and behaviours.
- Complaints handling procedures are in place and referred to the Compliance department for monitoring/evaluation and to take an overview or make ruling.
- Disclosure statements in letters and contract notes make it clear to clients the scope of service being provided.
- Processes are in place to enable disclosure of commission received to clients.
- Information on claims and complaints must be assessed by Partners to identify any potential conflicts of interest.

- A gifts and conflicts of interest register is maintained and regularly monitored to ensure inducements and other conflicts of interest do not influence procurement and strategic decisions.
- Actual/potential conflicts of interest must be reported to the Head of Regulation and the employee concerned must step back from any related decision making (see previous section).
- A best execution policy is applied to any client transaction; a full copy of the policy is available on request or can be found at [www.redmayne.co.uk/bestexecution](http://www.redmayne.co.uk/bestexecution)

This is designed to consistently allow the best outcome for a client given the size and nature of the order.

**Disclosure**

If the Partners, employees, associates or franchisees identify any relationship or interest that may give rise to a conflict with the interests of its clients, the firm will give due consideration to disclosing that conflict of interest before acting for that client.

Redmayne-Bentley will ensure that the disclosure is fair and not misleading and contains sufficient detail to enable the client to make an informed decision as to how the conflict may affect the service being provided.

Redmayne-Bentley will not enter into any transaction with or for a client if it has reason to believe that the client has objected to the conflict of interest.

**Declining to act for a client**

If Redmayne-Bentley decides that a conflict of interest cannot be managed effectively by disclosing the conflict of interest to the client or by the policy of independence, the firm will give due consideration to declining to act for that client.
Special Interest Records

Financial Conduct Authority requirements make it necessary for Redmayne-Bentley to maintain a register of firms in which staff/personnel have a special interest or knowledge.

This information assists in showing that Redmayne-Bentley is managing any conflicts of interest fairly, and paying due regard to client interests.

**Special interest or knowledge may arise in a number of ways, eg. Where an individual:**
- Is related to a person in a position to have confidential knowledge of a firm.
- Has made a visit to a firm.
- Has had conversations or discussions with a person of knowledge or influence in connection with a firm.

The Compliance department may use this information when monitoring Personal Account transactions and/or those of an executive’s client (particularly discretionary); and may also need the details to respond in a timely manner to any FCA enquiries.

Anyone with special interest or knowledge of any kind is required to:
- Report it to the Head of Regulation and either their Branch Manager or Department Head.
- Keep a record of meetings, telephone conversations and all other sources of information.
- Inform the Compliance department before advising or making a discretionary decision, in relation to a purchase or a sale in that firm; and send a copy of any note/letter to the Compliance department.
- Send copies of relevant announcements regarding that firm to the Compliance department.
- Take care when trading in a firm during a ‘closed period’.
- Where Redmayne-Bentley produces material of a research nature this will be disclosed on the literature in a way which is clear, fair and not misleading.