

GROUP CONFLICTS OF INTEREST POLICY

Risk and Compliance

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CLIENT DOCUMENT

Policy Owner: Risk and Compliance



STONEHAGE
FLEMING

NOW AND FOR FUTURE GENERATIONS

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1. INTRODUCTION

The Stonehage Fleming Group is an international family office providing a range of services to its clients. As a Group we endeavour to identify and either avoid or appropriately manage conflicts of interest. Therefore, we:

- Identify circumstances that do or may give rise to conflicts of interest
- Take appropriate steps to avoid or manage those conflicts of interest; and
- Disclose to clients as appropriate

This document set out how we meet our obligations.

2. DEFINITIONS

Group	Stonehage Fleming Family and Partners Limited and the subsidiaries under its control.
Business Unit	The Group legal entity providing a relevant service or activity (for example, a Group trust company or Group investment service entity).
Group Client	A person or company that receives any product or service from the Group.
Group Employee	An individual employed by the Group in a full time, part time, contractor, consultant or temporary capacity.
Structural conflicts	Conflicts that are inherent within the provision of a particular service or a product. An example of a structural conflict is a Group employee acting as a trustee of a trust under administration by a Group company and such trust utilising other Group related products or services.
Transactional conflicts	Conflicts that arise on a particular transaction, typically limited in time.

3. WHAT IS A CONFLICT OF INTEREST?

A conflict of interest arises where the interests of two or more parties are, or may be, incompatible. For the purposes of this policy, and in relation to the Group, conflicts of interest may relate to the Group, Group employees, Group clients and service providers for the Group and/or Group clients.

In managing conflicts of interest the interests of a client must be carefully considered by the Group and by Group employees.

4. KEY PRINCIPLES

The principles that apply to the identification, avoidance and management of conflicts are:

Structural conflicts:

- Business Units will endeavour to identify and list Structural conflicts of interest on a Conflicts of Interest matrix. The matrix will reflect how such conflicts are managed and controlled and will typically be reviewed annually. Ad hoc updates may be agreed on the launch of new Group products and services.



Transactional conflicts:

- Business Units will record such conflicts when identified either (i) within Group's conflict of interest register; or in accordance with Section 8 of this Policy.
- Transactional conflicts will be validated at the point that they are reviewed and approved.
- Expired or redundant transactional conflicts will be recorded within an archive record of the conflict of interest register.
- Periodically relevant employees will be requested to confirm that they have made disclosure of any conflicts of interest, it being noted that a failure to disclose a conflict of interest may have regulatory or other consequences.

5. RESPONSIBILITY FOR COMPLIANCE WITH THE POLICY

The Board of each regulated Business Unit has primary responsibility for identifying, recording and managing Structural conflicts of interest and for providing a suitable framework for the identification and management of Transactional conflicts of interest, with guidance provided by the relevant jurisdictional Risk and Compliance Committees. Such boards shall be similarly responsible for the acceptance of the policy within their Business Unit and any amendments that may be necessary from time to time.

Business Unit heads/line managers are responsible for ensuring compliance with the requirements of this Policy, including such processes and controls for managing Structural conflicts within the Business Unit.

Relevant Group employees are responsible for ensuring their familiarity with compliance with this Policy.

6. IDENTIFICATION OF CONFLICTS

A definitive and complete schedule of conflicts of interest is not possible to construct, there are however identifiable categories of Conflicts that can be identified:

- **Client- Group Conflicts:** Conflicts may exist between the interest of a client or a group of clients and the interests of a particular Business Unit or the Group.
- **Client-Client Conflicts:** Opposing Conflicts of interest may exist between different clients or different client groups. It may be necessary to safeguard against a particular client receiving preferential treatment to the detriment of another client. Such Conflicts of interests may also be present when clients' entities administered by the Group transact with each other.
- **Employee-Client Conflicts:** Conflicts may exist between the interests of a Group employee and the interests of Group clients.
- **Employee-Group Conflicts:** Conflicts may exist between the interests of a Group employee and the interests of Group clients.

7. CONFLICT MANAGEMENT

Business Units will endeavour to manage, control, avoid or mitigate actual or potential conflicts of interest by consideration of the following measures.

- Information barriers;
- Separation of functions;
- Monitoring;
- Remuneration;



- Disclosure;
- Consent;
- Declining to act; and
- Training;

8. RECORDING CONFLICTS

Conflicts of interest will be recorded depending upon the classification of the conflict, within a register or matrix.

Structural conflicts

Structural conflicts will be identified and managed by the relevant Business Unit and recorded within a conflict matrix or register.

Transactional conflicts

Transactional conflicts are typically conflicts that are not structural in nature.

Examples of a Transactional conflicts that may require disclosure and management could include the following:

- A Group employee having a material beneficial holding in an entity that supplies goods or services to any member of the Group or Group client and being in a position to unfairly or inappropriately prefer such goods or services to the Group or to a client of the Group;
- A Group employee is a beneficiary, settlor, protector, shareholder in their person (non-employee related) capacity of a trust or company of which the Group provides trustee or company director services;
- A Group employee wishes to enter into a personal transaction with a Group client (including debt arrangements);
- A Group employee has a personal interest to their advantage in the outcome of a service provided to a Group client or of a transaction carried out on behalf of a Group client;
- A Group employee has a financial or other incentive to favour the interest of a Group client, over the interests of another Group client;
- A Group employee (or close family member of such employee) with a material interest in a business substantially similar to that of a Group client is in a position to benefit (or benefit their family member) through knowledge of the Group client's business gained in the scope of their employment with the Group; and
- A Group employee or the Group receives or will receive from a person or a Group client, a personal inducement in relation to goods or services provided by the Group to such Group client.



