Conflicts of interest policy

1 Introduction

Rathbones Group Plc (Group or Rathbones) has a continuing duty to its clients to act at all times in their best interests. This is an essential element of good client service as well as a legal and regulatory requirement. One such obligation is to put in place a Conflicts of Interest Policy appropriate to the size, nature, scale and complexity of our business, which will be reviewed at least annually.

Conflicts of interest can arise in many common situations, despite best efforts to avoid them. It is therefore important that the Group maintains and operates appropriate organisational and administrative arrangements, with a view to taking all appropriate steps to identify, prevent, manage and monitor them.

This policy applies to all employees (full and part-time), secondees, fixed-term contractors, agency workers, interns, and individuals on work experience placements of the following entities:

- Rathbones Investment Management (RIM)
- Rathbones Investment Management International (RIMI)
- Rathbones Asset Management (RAM)
- Rathbones Trust Company (RTC)

Employee engagement and adherence to this policy and accompanying procedures is mandatory, demonstrates good corporate and individual behaviour, and forms an integral part of the Group's conduct risk approach. A breach of this policy may result in disciplinary action.

2 Purpose of the policy

The purpose of this policy is to set out Rathbones' approach to identifying, preventing and managing conflicts of interest, as well as setting out the arrangements to clearly document potential conflicts of interest.

3 What are conflicts of interest

A conflict of interest is a situation where one or more persons or entities have competing interests, and serving one interest involves potential detriment to another.

3.1 Types of relationships that can give rise to conflicts

Conflicts of interest can arise in a variety of relationships, including those that arise between:

- a client and the business, an employee or a third-party representative
- two or more clients in the context of the provision of services by the business to those clients
- the business and an employee, vendor, third party representative or material shareholder
- two or more business entities and employees
- Rathbones Group Plc and any individual Rathbones entity.

3.2 Factors that we have taken into account which can give rise to conflicts

These include, but are not limited to, situations where the business or an employee:

a is likely to make an inappropriate financial gain or avoid financial loss at the expense of a client
b has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client, which is different from the client's interest in that outcome
c has a financial or other incentive to favour the interest of one client or group of clients over the interests of another or to favour their own interests over those of the client
d receives or will receive from a person other than the client an inducement, gift or benefit in relation to a service provided to the client
e has an incentive, through their remuneration, to favour their interests over those of the client;
f prioritises their personal account deals ahead of client orders
g exploits confidential information for personal financial or non-financial gain.

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4 Approach to conflicts management

Group entities in the scope of this policy must maintain and operate organisational and administrative arrangements to prevent conflicts of interest from adversely affecting the interests of clients, shareholders or other stakeholders. This is achieved through the identification, prevention and management of conflicts.

4.1 Conflict of interest identification and disclosure by employees

Business conflicts
Early identification of potential or actual conflicts of interest is essential to implement effective mitigation strategies or processes that help manage the conflict or prevent it arising.

Personal conflicts
On commencement of employment, and afterwards, on an annual basis, all employees must provide information relating to any potential conflicts and external affiliations with entities other than the Group through the 'Conflicts and Outside Interests Disclosure'. Employees must also seek prior approval from their management and Compliance before accepting any external function or remuneration for external activities.

In addition, employees must disclose any new conflicts to their line manager and Compliance as they occur and should not wait for the annual disclosure before doing so.

4.2 Conflicts of interest reporting, mitigation, management and escalation

Where an employee believes they have identified an actual or potential conflict of interest, they are required to report to both their line manager and to Conduct Risk & Regulatory Advice, who will determine what action needs to be taken.

All employees are expected to proactively escalate to their line manager and the Compliance Conduct Risk and Regulatory Advice team any actual or potential personal or business conflicts they identify.

The Conduct Risk and Regulatory Advice team maintains the Conflicts of Interest Log, which records high-level conflict themes, and the Conflicts of Interest Register, which details the personal outside interests deemed by the team to be a conflict.

5 Organisational arrangement and responsibilities

A number of core organisational and administrative arrangements and internal controls exist designed to manage conflicts of interest and prevent damage to clients. These include:

- senior management oversight, management reporting
- three lines of defence apportionment of control functions
- segregation of duties
- information barriers
- contract of Employment including duty of confidentiality
- wider Group policies and processes.

5.1 Individual responsibilities

All employees must meet the requirements of this policy. Employees must:

- act honestly, fairly and professionally in accordance with the best interests of our clients
- avoid, if possible, putting themselves and/or the firm in a position where conflicts of interest arise
- disclose any potential or actual conflict of interest, whether that conflict is adequately mitigated or not, to their line manager and Compliance
- declare all directorships, trusteeships or other external interests or activities that may conflict with the duties that are owed to clients or the firm
- not directly engage with clients in a way that may conflict with the services the firm provides
- manage work-related information carefully, respecting information barriers and duties of confidentiality at all times
- report any actual or potential conflicts of interest to their line manager and Compliance as they arise.

5.2 Line management responsibilities

Line managers are responsible for ensuring that their teams are trained, understand and continue to meet the requirements of this policy and all associated policies and procedures. Line managers are also required to act as an escalation point for new, emerging and changing conflicts of interest and are responsible for ensuring that their teams complete the annual Conflicts and Outside Interests Disclosure.

5.3 Senior management responsibilities

Senior management is responsible for ensuring that systems, controls, and procedures are adequate to identify and manage conflicts of interest. The Conduct Risk & Regulatory Advice team provides assurance to senior management that the business is meeting the Conflicts of Interest Policy requirements and is following the correct procedures.

Business managers are responsible for reviewing the Conflicts of Interest Log periodically to ensure that all conflicts listed on the Log remain relevant and that any newly emerging conflicts are recorded.

6 Examples of our approach to conflicts management are set out below

Where a conflict arises, our approach is:

- to always put the interests of the client first
- if there is a conflict between two or more clients, the business will act in the most fair and equitable way possible.

Other measures for conflict management include:

- Where necessary, the flow of information is restricted between different parts of the business which perform different, and possibly, conflicting roles or functions.
- Entities within the Group can market their products and services to the clients of another entity within the Group. However, cross-selling or marketing of in house products should only take place when the Group entity whose products or services are being marketed is considered the most appropriate provider for the client in question.
- Where the firm uses discretion to make investment decisions or provide any personal recommendations, we are required to ensure that our actions are suitable for our clients and are not a means for the business or the employee to make inappropriate financial gains. Employees are prohibited from exercising discretion for, or giving investment advice to, clients in respect of Rathbones Group Plc shares.
- Conflicts of interest can arise in respect of the stewardship activities, for example, in the exercise of voting rights. Among other reasons, conflicts can arise because the firm votes with its own interest, which can conflict with the interests of clients. Policies, procedures and protocols are in place, which are designed to identify and manage such conflicts.
- There are procedures in place to ensure fair treatment between clients. For example, when executing an aggregated order for a client that is not filled, employee trades will be removed, and trade allocations to clients will be made on a pro rata basis to ensure fair treatment.
- The Group has a Gifts and Hospitality policy designed to avoid potential conflicts arising in situations where employees receive or provide gifts or non-monetary benefits, including requiring pre-approval in circumstances set out in the policy.
- All employees and connected persons are required to comply with the Group's Personal Account Dealing (PAD) policy.
- The remuneration of all employees within the Group usually consists of a salary, profit share and from time-to-time a discretionary related bonus. The Group does not employ anybody who is remunerated on a commission-only basis.

7 Governance

The policy is reviewed annually, taking into particular consideration any changes to the business, development of Group policy and applicable legal and regulatory requirements.

Periodic testing is carried out of the policy to determine its operating effectiveness. Any findings or areas highlighted for improvement will be addressed and reported to senior management.

Rathbones Investment Management Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.
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