

Governance Advisory Arrangement

Managed by Smith & Williamson Financial Services Limited

Capita Financial Managers Limited ("Provider")

CONFLICTS OF INTEREST POLICY

1. Introduction

- 1.1 This Conflicts of Interest Policy (the "Policy") sets out the arrangements made by the Governance Advisory Arrangement Committee ("GAA Committee") to identify, manage and record conflicts and potential conflicts of interest to ensure that decisions made by the GAA Committee will be taken and seen to be taken without any possibility of the influence of external or private interest. The GAA Committee recognises that a conflict of interest, or perceived conflict of interest, in its role to ensure compliance with the requirements of the Financial Conduct Authority's "Final rules for independence governance committees including feedback on CP14/16" (as amended from time to time), is a key risk that requires careful management and handling whether this is a direct or indirect conflict, pecuniary or otherwise.
- 1.2 The GAA Committee is committed to upholding the principles of openness, transparency, fairness and integrity in its day to day operations.

2. Definitions

For the purpose of this policy the following terms shall have the meanings set out as follows:

- 2.1 "GAA Committee Business" means any subject of discussion or debate relating to the duties and roles of the GAA Committee or direct commissioning and any contract entered into by the GAA Committee for goods or services either existing or potential;
- 2.2 "Close Association" means someone with whom the Individual is in regular contact over a period of time so that the person is more than an acquaintance;
- 2.3 "Declaration of Interests Form" has the meaning given to it at paragraph 5.5 below;
- 2.4 "Individual" means a person to whom this Conflicts of Interest Policy shall apply in accordance with paragraph 3;
- 2.5 "Non-Conflicted Individuals" means those members of the GAA Committee who have no conflicting interests, either directly or indirectly, in the matters of GAA Committee Business which are subject to discussion and/or decision by the in accordance with this policy;
- 2.6 "Personal Interest" has the meaning given to it at paragraph 5.3 below;
- 2.7 "Prejudicial Interest" means an interest that a member of the public, who knew the relevant facts, would reasonably consider to be so significant that it is likely to prejudice the Individual's judgement of what is in the public interest;

- 2.8 "Register of Interests" has the meaning given to it at paragraph 5.8 below;
- 2.9 "Register of Gifts and Hospitality" means the register maintained in accordance with paragraph 6.1; and
- 2.10 "Relevant Person" means a member of the GAA Committee or their representative family, including:
- a partner (someone who is married to, a civil partner or someone with whom the Individual lives with in a similar capacity);
 - a parent or parent in law;
 - a son or daughter or stepson or step daughter;
 - the child of a partner;
 - a brother or sister;
 - a brother or sister of the Individual's partner;
 - a grandparent and/ or a grandchild;
 - an uncle or aunt;
 - a nephew or niece; and
 - the partners of the above.

3. Scope

Adherence to this Conflicts of Interest Policy is mandatory for:

- 3.1 Members of the GAA Committee, employees and officers of the Provider, Scheme members, employees and officers of Smith & Williamson Financial Services Limited and any appointed individuals working for or on behalf of the GAA Committee; and
- 3.2 Members of any sub-committees that the GAA Committee may, from time to time, establish.

4. Accountability and Responsibilities

- 4.1 The Chair will be responsible for ensuring there is an effective system in place to manage conflicts, or potential conflicts, of interest and along with the Secretary to the GAA Committee, will retain an overview of the policy to ensure adherence in accordance with the GAA's governance requirements
- 4.2 The Secretary to the GAA Committee will ensure that adequate records are kept including the Register of Interests and that information is publicly available.
- 4.3 All members of the GAA Committee must also comply with their own professional codes of conduct in relation to conflicts of interest.
- 4.4 The Secretary to the GAA Committee, on behalf of the Accountable Officer, has responsibility for ensuring these arrangements are put into place within the supporting committee, and sub-committee structures.

5. The Declaration of Interests

- 5.1 Conflicts of interest may arise where an individual, person, or a connected person's interests and/or loyalties conflict with those of the GAA Committee. Such conflicts may create problems such as inhibiting free discussion which could:
- 5.1.1 result in decisions or actions that are not in the interests of the GAA Committee and the scheme members it was established to serve; and
 - 5.1.2 risk creating the impression that the GAA Committee has acted improperly.

- 5.2 Individuals will take all reasonable steps to identify conflicts of interest (including without limitation, any conflict which may arise by virtue of an Individual also holding a role within any other employer) that arises or may arise in the course of the delivery of the GAA Committee Business. Individuals are not required to declare all interests they may have outside of the GAA Committee, but rather those interests which relate to or could impact upon GAA Committee Business. Individuals should register all relevant interests in accordance with paragraph 5.5 below and should also declare any Personal Interest when dealing with or discussing a matter to which it is pertinent.
- 5.3 Individuals are required to declare any Personal Interest in any matter of the GAA Committee Business which may directly or indirectly give rise to a conflict or a potential for conflict of interest or duty. Additionally all members of the GAA Committee are required to comply with its Terms of Reference and any applicable Policies. An Individual is considered to have a Personal Interest in a matter of the GAA Committee Business where that Individual or any Relevant Person and/or Close Association to the Individual:
- 5.3.1 is a director (including non-executive directorships), shareholder, partner or employee or otherwise has a position of ownership (all or part), control or management of the Provider or the Provider's Group;
 - 5.3.2 is likely to make a financial gain, or avoid a financial loss, through the matter;
 - 5.3.3 has an interest in the outcome of a matter which is distinct from the GAA Committee's interest; or
 - 5.3.4 has a financial or other incentive to favour the interests of another party or group over the interests of the GAA Committee.
- 5.4 It is not possible, or desirable, to define all instances in which an interest may be a real or perceived conflict. It is for each Individual to exercise their judgement in deciding whether to register any interests that may be construed as a conflict. If any Individual is unsure as to whether an interest should be declared then he or she should seek guidance from the Committee Chair, or if appropriate another member of the Committee .
- 5.5 Any declaration of interest made pursuant to this Conflicts of Interest Policy should be made by completing the form attached at Annex 2 (the "Declaration of Interests Form") and sending this to the Secretary of the GAA Committee. The relevant Individual should carefully consider whether they feel they could participate in a meeting to discuss the relevant matter in which they have a Personal Interest without being influenced by their other interest to the detriment of the operation of the GAA Committee.
- 5.6 Where an Individual becomes aware of a Personal Interest which:
- 5.6.1 has not been declared, either in the Register of Interests or orally, they will declare this at the start of any meeting where the GAA Committee Business to which that Personal Interest relates is to be discussed; or
 - 5.6.2 has previously been declared, in relation to the scheduled or likely business of any meeting where the GAA Committee Business to which that Personal Interest relates is to be discussed, the Individual concerned will bring this to the attention of the Chair of the meeting, together with details of arrangements which have been confirmed for the management of the Personal Interest,
- and provide a written declaration to the Secretary of the GAA Committee as soon as possible thereafter.

- 5.7 Following receipt of the Declaration of Interests Form or oral declaration in accordance with paragraph 5.6 above, the GAA Committee shall consider the nature, scale or complexity of the interest declared and the risk that the conflict of interest may adversely influence the interests of the GAA Committee in order to determine whether the interest is:
- 5.7.1 non-prejudicial to the interests of Scheme members so as to allow the Individual to remain a member of the GAA Committee and to continue to be involved in discussions regarding that element of the GAA Committee Business in which the Individual has an interest;
 - 5.7.2 a Prejudicial Interest, but the GAA Committee is willing to authorise the Individual to remain involved in the GAA Committee Business on a conditional basis as set out in paragraph 7 below;
 - 5.7.3 so significant so as to be deemed as a Prejudicial Interest and to require the Individual to be prohibited from all discussions related to the issue of GAA Committee Business which gave rise to the conflict (and therefore paragraph 8 shall apply); or
 - 5.7.4 except in the case of a Member, a Prejudicial Interest such that the GAA Committee considers that the only option available to resolve the conflict is that the Individual should be removed from the GAA Committee.
- 5.8 When first appointed to the GAA Committee Individuals will be asked to read and comply with this policy and complete and sign a Declaration of Interests Form if relevant. A register will be held by the GAA Committee to record disclosures (the "Register of Interests") in accordance with the Constitution. Individuals who appear on the Register of Interests will be required to ensure that entries relating to them in the Register of Interests are accurate, complete and up to date. Individuals will declare interests where appropriate during the course of their duties and must notify the Secretary of the GAA Committee immediately or at the earliest opportunity of all changes to the information disclosed. Following any changes in circumstances Individuals will be asked to complete and sign a new Declaration of Interests Form if relevant.
- 5.9 The Register of Interests will be kept by the GAA Committee and will set out:
- 5.9.1 names of Individuals and details of the interest which were declared on appointment, as the interest first arises or through an annual declaration update; and
 - 5.9.2 names of Individuals who have declared interests at meetings giving dates, details of the interest declared and whether the Individual took part in the relevant part of the meeting.
- 5.10 The Register of Interests will be kept up to date by the Secretary of the GAA Committee and reviewed by the GAA Committee annually. The Secretary will take such steps and request such information as appropriate from Individuals, to ensure all conflicts and potential conflicts of interest are declared. The Register of Interests will be publically available
- 5.11 When a declared interest ceases to be relevant, the respective Individual should inform the Secretary of the GAA Committee so that it can be removed from the Register of Interests.
- 6. Register of Gifts and Hospitality**
- 6.1 An Individual is required to declare any gift or hospitality of a value greater than £50 offered or received in connection with their role in the GAA Committee. Any such gifts and hospitality will

be recorded on a separate register (the "Register of Gifts and Hospitality"), which will be maintained by the Secretary of the GAA Committee.

- 6.2 Individuals shall not use confidential information acquired in the pursuit of their role to benefit themselves or a Relevant Person or Close Association.

7. Authorisation of an Individual with a Prejudicial Interest

- 7.1 The GAA Committee may, by way of a majority vote of the Non-Conflicted Individuals (provided that they constitute a quorum), authorise an Individual who has a Prejudicial Interest in an aspect of GAA Committee Business to continue to be involved in that matter of GAA Committee Business subject to the terms of this paragraph 7.

- 7.2 Where the GAA Committee grants authorisation pursuant to paragraph 7.1 above the Non-Conflicted Individuals may impose conditions upon the relevant Individual's attendance and involvement at any meetings at which the GAA Committee Business, in which they have a Prejudicial Interest, may be discussed, which may include the following:

7.2.1 that they shall be entitled to make representations, answer questions and give evidence, however, they will be expected to leave the room as soon as they have finished making representations, giving evidence or answering questions and before any debate starts; and/or

7.2.2 they shall not be entitled to cast a vote on that item of GAA Committee Business in which they have an interest; and/or

7.2.3 that they will sign a confidentiality agreement with the GAA Committee to confirm that they will not discuss any issues regarding that matter of GAA Committee Business with any Close Association or Relevant Person; and/or

7.2.4 such other terms for the purposes of dealing with the conflict as the Non-Conflicted Individuals think fit.

- 7.3 The Individual who is the subject of the conflict shall be obliged to conduct themselves in accordance with any terms and conditions imposed by the Non-Conflicted Individuals in respect of the conflict.

- 7.4 The Non-Conflicted Individuals may revoke or vary the authorisation granted under paragraph 7.1 above at any time.

8. Withdrawal from a meeting due to a conflict of interest

- 8.1 Where an Individual has a Prejudicial Interest to which paragraph 5.7.3 or paragraph 5.7.2 which is not authorised by the Non-Conflicted Individuals in accordance with paragraph 7 above, the Chair of the relevant meeting may require the Individual to withdraw from the meeting or part of it (such requirement must be recorded in the minutes of the meeting).

- 8.2 It is the responsibility of the Secretary of the GAA Committee to monitor quorum and advise the Chair accordingly to ensure it is maintained throughout the discussion and decision of the relevant agenda item. Should the withdrawal of any conflicted Individual result in the loss of quorum, the item will not be decided upon at that meeting.

- 8.3 Where a quorum cannot be convened from the membership of the meeting, owing to the arrangements for managing conflicts of interest or potential conflicts of interests, the chair of the meeting shall consult with the Secretary of the GAA Committee on the action to be taken.

- 8.4 All declarations of interest and arrangements agreed in any meeting of the GAA Committee or any sub-committees will be recorded in the minutes, including:

8.4.1 the nature and extent of the conflict;

8.4.2 an outline of the discussion; and

8.4.3 the actions taken to manage the conflict.

8.5 All payments or benefits in kind to any member of the GAA Committee will be reported in the GAA Committee's accounts and Annual Report, with amounts for each member listed for the year in question.

9. Breaches of this policy

9.1 Failure to adhere to this Conflicts of Interest Policy may constitute the criminal offence of fraud, as an individual could be gaining unfair advantages or financial rewards for himself or a family member / friend or associate. Any suspicion that a relevant Personal Interest may not have been declared should be reported to the Secretary of the GAA Committee.

9.2 Breaches of the policy may result in the relevant Individual being removed from the GAA Committee.

10. Monitoring and Review

This policy will be monitored and reviewed annually by the Secretary of the GAA Committee or at such time as there is a relevant change in law (including the issuing of new regulations) or Financial Conduct Authority Regulations or Guidance which impact upon this policy.

Annex 2

DECLARATION OF INTEREST FORM

NAME _____

ORGANISATION _____

CONTACT DETAILS (Telephone No, Email) _____

Comments

Please identify any actual or potential Personal Interest that may arise as a consequence of your role under the GAA Committee and how you propose that these will be dealt with.

The information provided in this Declaration Form will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that the Individuals act in the best interests of the GAA Committee and the scheme members that the GAA Committee was established to serve. Information will not be used for any other purpose.

To the best of my knowledge these are the only interests I need to divulge.

Signed Date

Signed Date

Please return completed form to: Andrew Rackham, Smith & Williamson Financial Services Limited, 25 Moorgate, London EC2R 6AY

Please retain a copy for your own records