

CONFLICTS OF INTEREST POLICY

VERSION 1.13

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Document Reviewers (Wesleyan unless specified)

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1. Introduction

The purpose of this policy is to help to effectively identify, disclose and manage any actual or potential conflicts of interest in order to protect against detriment or perceived detriment to customers and group businesses.

2. Scope

This policy applies to all employees of the Society, and of companies owned by the Society. This will include Wesleyan Administration Services, Wesleyan Financial Services, Wesleyan Unit Trust Managers Limited, Practice Plan (including DPAS) and any other notified subsidiary companies. For the purposes of this policy therefore, the relevant subsidiary company is referred to as the Employer.

3. Objectives

Wesleyan employees are required under the terms of their contract of employment to comply with the requirements of this document. The contents cover:

- conflicts that may arise between the interests of the Employer and the personal interests, associations and relationships of individual members of staff;
- conflicts that may arise between the Employer and its representatives and those of our customers;
- the provision of products and services by Relevant Organisations; and
- circumstances where a transaction or situation may be perceived to constitute an 'attempt to influence', and the subsequent implications

You are requested to:

- read this document, and associated policies where appropriate, and familiarise yourself with it. If you have any questions, please consult the Company Secretary, unless specified elsewhere;
- comply with the provisions contained therein;
- keep a copy of, or have access to, the document as guidance for your own information.

Compliance with this document is mandatory. Breach of the requirements may result in disciplinary action including, where appropriate, dismissal.

4. Definition of key terms used

Term	Definition
Connected Persons	Your spouse, civil partner, children or stepchildren under 18, parents, or any other person with whom you live in an enduring family relationship if you actually take financial decisions with, or for, that person.
Personal Account Dealing	Includes purchases, sales, subscriptions, acceptance of take-over or other offers and all other acquisitions or disposals of securities and related investments, or any rights or interests in securities and related investments. Entering into any contract to secure a profit or avoid a loss by reference to fluctuations in securities' price; the acquisition, disposal, or exercise of any option or other right or obligation to acquire or dispose of securities, off market dealings and transfers of securities as gifts are all examples of dealing.
Gift	Any item which has value and is capable of being transferred to another party for value, which is received from someone who works for or represents a Relevant Organisation; a professional adviser of a Relevant Organisation; or an actual or potential supplier of the Wesleyan or a customer where you can reasonably be perceived to be representing the Wesleyan.
Insurance Distribution Activity	Advising, proposing or carrying out other work preparatory to the conclusion of contracts of insurance.

Term	Definition
	Concluding contracts of insurance or assisting in the administration and performance of contracts of insurance.
Hospitality	Invitations to attend an event (including sporting and cultural events), meal or other similar occasion with someone who works for or represents a Relevant Organisation; a professional adviser of a Relevant Organisation; or an actual or potential supplier of the Wesleyan or a customer where you can reasonably be perceived to be representing the Wesleyan.
Insurance Based Investment Product	<p>A contract of insurance which offers a maturity or surrender value and where that maturity or surrender value is wholly or partially exposed, directly or indirectly, to market fluctuations, and does not include:</p> <ul style="list-style-type: none"> • non-life insurance products; • life insurance contracts where the benefits under the contract are payable only on death or in respect of incapacity due to injury, sickness or disability; • pension products which, under national law, are recognised as having the primary purpose of providing the investor with an income in retirement, and which entitle the investor to certain benefits; • officially recognised occupational pension schemes; • individual pension products for which a financial contribution from the employer is required by national law and where the employer or the employee has no choice as to the pension product or provider.
Relationship (Professional and Personal)	A relationship with another person, which an independent third party might reasonably consider could affect your actions, or those of a personal associate (whether or not it does so affect your conduct). If you are in any doubt about this, you should discuss it with your line manager.
Relevant Organisations	Any organisation, or any company within the same group of companies, including partnerships and unincorporated associations, with which we conduct business. This will also include those organisations which have a direct or indirect link to the Relevant Organisation acting as principal.
Employees	Colleagues (whether permanent or temporary), including executive members of the Board, advisers, and seconded employees. Referred to as 'you' in the context of this document.
Wesleyan	Any of the entities which make up the Wesleyan Group of Companies. Referred to as 'we' in the context of this document.
Durable Medium	<p>Paper or any other media which:</p> <ul style="list-style-type: none"> • enables the recipient to store information addressed personally to them. • have access to the information must for future reference for an adequate period of time (suited to its purpose); and • allows unchanged reproduction of the information stored.

5. Conflicts of Interest

5.1. Introduction

As individuals working for the Wesleyan Group, you are entitled to manage your own affairs in privacy. However, your work must be carried out in a way that is free from any suggestion of improper influence. Our customers, those with whom we do business and you, must be confident that we will conduct our business in an appropriate manner. Therefore, conflicts of interest and potential conflicts of interest must be identified immediately as they arise and be properly managed.

As a financial services provider we are regulated by the Financial Conduct Authority (FCA). The FCA has set out a high-level requirement for firms in Principle 8 of its Principles for Businesses:

*A **firm** must manage conflicts of interest fairly, both between itself and its **customers** and between a **customer** and another **customer**.*

Beyond this the FCA Handbook has a number of rules about how conflicts of interest should be dealt with, which are primarily contained in **Senior Management Arrangements, Systems and Controls (SYSC)**, **Collective Investment Schemes Sourcebook (COLL)** and the **Conduct of Business Sourcebook (COBS)**, together with the requirements of **Treating Customers Fairly**.

Under the MiFID II directive, the Society is required to ensure that no conflict of interest arises with regard to the trading of investments on behalf of the customer through brokers. Therefore, this policy applies to any colleagues directly or indirectly involved in placing of Investment trades, as it is important that the best execution terms are achieved for our customers on every investment transaction. Further information can be found in the Society's **Best Execution** and **Gifts and Hospitality** policies.

Further requirements are contained in the Companies Act 2006 (CA 2006) which applies to all the subsidiary companies of the Employer in full and their directors are bound by its provisions as regards conflicts of interest. The Employer, however, is incorporated by a private Act of Parliament and is an unregistered company for the purposes of CA 2006. As such, only certain parts of the CA 2006 are applied to the Employer as an unregistered company, but the rules of the Employer encompass other parts of the Act together with the requirements of Common Law.

In the conduct of our activities, we apply the same standards of conduct throughout the organisation, irrespective of regulated or company status.

5.2. What is a conflict of interest?

A conflict of interest can arise where individuals or entities have competing interests and where serving one interest may lead to detriment to the other.

This can include a situation where an individual or entity fails to apply a duty of care owed to another such as a customer. It can include situations where an individual's professional judgement and objectivity is compromised leading to failure to properly discharge duties and responsibilities.

A Conflict of Interest includes an actual Conflict of Interest that has arisen and a potential Conflict of Interest that could arise given certain circumstances. Certain Conflicts of interest can be ongoing and have to be managed on a continuous basis while others relate to an event or one-off transaction and can usually be managed by one-off measures.

The risks from ongoing Conflicts of interest should be recorded in the risk management system Magique (see [5.6](#) below).

Conflicts of interest may arise in various ways. Some examples are set out below and also in [Chapter 7](#) of this document.

- a direct or indirect financial interest (e.g. leading to a financial gain, or avoidance of financial loss to the detriment of the customer or the business);

- a direct or indirect financial interest held by a commercial undertaking with which we have connections;
- a personal association or relationship with those affected, or likely to be affected, by the information or issue in question;
- family or friend reference;
- an expectation of a future interest (for example, future employment);
- in some cases, a previous association with the issue in question;
- an interest arising from a common interest grouping, such as a trade association, other public or private Employer or firm outside of the Wesleyan Group; and
- receipt of inducements from third parties, or the Employer's own remuneration and other incentive structure.
- If you are in doubt about whether a conflict has arisen, consult your line manager in the first instance or the 2nd Line Risk Team and/or the Company Secretary for advice.

5.3. General Principles

You must take steps to ensure that any conflict of interest arising to which we may be subject does not affect, or reasonably appear to affect, a decision taken by us in the conduct of our business. You must disclose all interests which could conflict, or appear to conflict, with your duties at the Wesleyan.

You must not exploit, or reasonably appear to exploit, to your personal advantage any personal or professional relationships with a Relevant Organisation (or an officer or employee of a Relevant Organisation), or an organisation with which the Wesleyan has a contractual relationship (or an officer or employee of such an organisation).

You must not exploit, or reasonably appear to exploit, to the advantage of the Employer any personal or professional relationships with a Relevant Organisation, (or an officer or employee of a Relevant Organisation) or an organisation with which the Wesleyan has a contractual relationship (or an officer or employee of such an organisation) where that undertaking will cause undue detriment to the interests of our customers.

It is important that we can demonstrate adherence to the contents of this document in the actions of our employees in order to prevent regulatory action, financial or reputational damage. Where potential or actual conflicts of interest arise, it is your responsibility to bring them to the attention of your line manager as soon as you become aware of them.

Failure to disclose a conflict of interest or a potential conflict of interest in a timely manner will be considered to be a disciplinary offence and may, in appropriate circumstances, be considered gross misconduct. Where there is a conflict of interest or a potential conflict of interest this will be dealt with by appropriate means depending upon the circumstances. Examples of such action could be:

- by a director being required to abstain from voting on a matter; or
- not proceeding with a contract or arrangement; or
- by you not taking any further part in the activity on which you have declared a conflict: or
- resignation in extreme circumstances.

The precise action required will depend on the nature and extent of the conflict of interest or potential conflict of interest.

5.4. The position for all employees

We require the same general principles to be applied to all colleagues, including temporary staff, and other persons retained by the Employer and its subsidiary companies.

You are required to disclose, as soon as you are aware of the conflict the following:

- Any conflict of interest arising from the work that you are performing;
- If you are in a personal relationship with an employee within your direct line of management (up or down), this should be reported to the Head of HR Operations.

You should disclose to your line manager, in consultation with your Executive member, any conflict of interest arising from the work that you are performing as soon as you become aware. Please use the Conflict of Interest Reporting Form found in [Appendix E](#) of this Policy to report the conflict.

You must not:

- use your authority or office for personal gain (financial, reputational or in status) against the interests of the Employer or our customers - you should conduct relationships in an open manner, which includes timely declaration of any conflicts of interest and approaches which, although rejected, would have caused a conflict of interest; and
- use information received in the course of business dealings for personal gain against the interests of the Employer or our customers.

Failure to disclose in a timely manner will be considered a disciplinary offence and, in certain circumstances, will be considered gross misconduct. Such circumstances might be, for example:

- recommendation of a contract with a firm for whom the person's partner works; or
- recommendation of a contract with a firm of which the person is a director; or
- the underwriting of an insurance contract, or the assessment of a claim, by a person, the contract or claim being in connection with a relative of that person.

When considering whether disclosure has taken place in a timely manner, the Employer will consider when you should reasonably have become aware of the conflict of interest and whether it was then disclosed within a reasonable time. What is reasonable will depend on the individual circumstances of the case.

5.5. Conflicts of interest when transacting with customers

The provision of advice to a customer in respect of the sale of products offered through the Employer can give rise to a potential conflict of interest between the interests of the person (and the group) and those of the customer. For example, this could arise in the case where the most suitable product for a customer is a deposit account, but an investment backed product could be recommended for which the adviser would be remunerated. Sale of such products is subject to regulation by the FCA and other Codes of Practice and this is encapsulated in the Employer procedures, which should be consulted where relevant. This would be classed as an ongoing risk and should be recorded on Magique and the Risk Department notified.

The business has mitigating controls in place to manage such a conflict, including processes to monitor advice given and in addition the customer also has rights to complain should they feel disadvantaged, with the possibility of referral to an independent adjudicator.

Notwithstanding the above, occasions may arise, whilst dealing with a customer, where an adviser is placed in a situation similar to those shown in 5.5 but which fall outside of the normal sales process. Examples of these could include:

- Proactive involvement in the arrangement of a product which is outside of the range of the Employer; or
- Offering a service, such as legal expertise, contrary to the customer agreement and for which suitable qualification is not held.

See [Appendix C](#) for further information.

5.6. Monitoring and Review

Management responsibility is to ensure that the risk assessments undertaken reflect the actual and potential ongoing conflicts of interest risks arising from personal and business activities and where associated controls are found to be insufficient, adequate alternative measures and procedures are put in place.

All employees will be required to complete a Conflicts of Interest Declaration Form ([Appendix E](#)) upon discovery of a conflict. This will be submitted to Line Managers in the first instance. Line managers should review and ensure appropriate mitigation is in place. They should record ongoing conflicts in Magique (Company Secretary will send a report of all conflicts reported to the Chief of each division each quarter to confirm the list is

accurate). Those employees subject to enhanced or additional requirements with regard to conflicts of interest should refer to [Sections 5.9](#) and [5.10](#) of this Policy.

All returns will be reviewed by the Company Secretariat Team and the outcome shared with the Risk Division who may undertake monitoring

Wesleyan Group will keep and maintain a records of conflicts of interest entailing a risk of damage to the interests of a customer that have arisen or, in the case of an ongoing service or activity, that may arise. These records shall be retained by the business and made available for inspection by the FCA upon request.

The Company Secretary also maintains separate records of any actual or potential Conflicts of Interests that may arise at Executive or Board level.

The record will be readily accessible and sufficient to reconstitute each element in a clear and accurate manner. The content will be subject to version control such that any changes, corrections or amendments will be clearly identifiable and the content, prior to modification, is visible.

This policy, including its appendices, will be reviewed on an annual basis.

5.7. Disclosure

In the event the measures put in place to mitigate conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a customer will be prevented, the Society (and where relevant its subsidiaries) will disclose that conflict to those affected in writing and in good time and before the conclusion of a contract of insurance. Business Divisions will have responsibility for determining the most appropriate medium for disclosures.

This disclosure will include:

- a) a specific description of the conflict of interest in question;
- b) an explanation of the general nature and sources of the conflict of interest;
- c) an explanation of the risks to the consumer that arise as a result of the conflict of interest and the steps undertaken to mitigate those risks;
- d) a clear statement which sets out that “the organisational and administrative arrangements established by the insurance intermediary or insurance undertaking to prevent or manage the conflict of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the customer will be prevented”; and
- e) sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

5.8. Disclosure

Staff of some subsidiary companies and business units have additional requirements arising from the Markets in Financial Instruments Directive II (MIFID II) and Insurance Distribution Directive (IDD).

These additional requirements can be found at [Appendices B – D](#).

It is the responsibility of the subsidiary or Business Division to develop their own detailed procedures, including the nomination of the person(s) responsible for their development and management of any queries, in order to meet the requirements outlined.

5.9. Additional requirements for Directors

Statutory duties for directors are set out in the CA 2006, including the duty to avoid conflicts of interest which are specifically applied to the Employer by Rule 5 of the Act.

In addition, rules 17, 27 and 28 are relevant and are set out below:

Conflicts of Interest

17.

1) *If a directors' meeting, or part of a directors' meeting, is concerned with an actual or proposed transaction or arrangement with the Employer in which a director is interested, that director is not to be counted as participating in that meeting, or part of a meeting, for voting or quorum purposes.*

2) *But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the Employer: -*

a) *is to be counted as participating in a decision at a directors' meeting, or part of a directors' meeting, relating to it, and*

b) *is entitled to vote on a proposal relating to it.*

3) *This paragraph applies when: -*

a) *the Employer by ordinary resolution disapplies the provision of the Rules which would otherwise prevent a director from being counted as participating in, or voting at, a directors' meeting; or*

b) *the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or*

c) *the director's conflict of interest arises from a permitted cause.*

4) *For the purposes of this Rule, the following are permitted causes:*

a) *a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the Employer or any of its subsidiaries;*

b) *arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the Employer or any of its subsidiaries which do not provide special benefits for directors or former directors.*

5) *Subject to paragraph (6), if a question arises at a meeting of directors or of a committee as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting whose ruling in relation to any director other than the chairman is to be final and conclusive.*

If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman of the meeting, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman of the meeting is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

General notice as to director's interest

27. *A general notice that a director is a member of any specified firm or corporation and is to be regarded as interested in all transactions with that firm or corporation shall be a sufficient disclosure under Rules 17 and 26 as regards such director and the said transactions and after such general notice it shall not be necessary for such director to give a special notice of his interest in any particular transaction with that firm or corporation.*

Disclosure of interest to Group Chief Executive

28. *Where a director is directly or indirectly interested in any insurance contract which shall in the ordinary course of business be effected by or through such director through the chief executive or other proper officer of the Employer disclosure to the chief executive or such other officer that such director is so interested shall be deemed to be sufficient disclosure for the purposes of Rules 17 (and 26) and the chief executive or such other officer may deal with any such contract as regards terms, premiums, commission or otherwise as freely as he could deal therewith if such director were not so interested.*

Section 162 of the CA 2006 requires a company to keep a register of its directors and Section 167 requires it to notify the Registrar of Companies of any changes. These sections apply to the Employer as an unregistered company, as well as to its subsidiaries.

Section 197 of the CA 2006 states that a company shall not make a loan to a director of the company or of its holding company or enter into any guarantee or provide any security in connection with a loan made by any third party to such a director unless the transaction has been approved by a resolution of the members of the company. Section 200 of the CA 2006 also requires the disclosure of such arrangements with persons connected with the director. These provisions do not apply to the Employer as an unregistered company, but the directors will disclose such transactions in a timely manner if they occur.

Any transactions are also disclosed as related party transactions in the published accounts of the Employer and/or its relevant subsidiary.

In respect of the Employer and any subsidiaries, the directors also disclose:

- conflicts of interest as regards connected persons and close personal friends; and
- any approach from a third party which, if accepted, would create a conflict of interest, even if the director rejects that approach.

In respect of the Employer and any subsidiaries, when deciding whether to disclose, the benefit to the person is taken as being financial gain or the enhancement of the individual's personal reputation or status in the industry.

5.10. Declaration of Interest by Members of the Executive and Board

The purpose of this declaration is to ensure that the Society holds full details of any interest of Executive and Board Members which is in conflict or has the potential to be in conflict with their duty as an Executive/Board Member of Wesleyan Assurance Society (and/or of its Subsidiary Companies).

Members of the Executive and Board are required to complete an annual Declaration of Interest in respect of themselves, and any Connected Person as defined in the Definitions section above. Company Secretary will contact all Executive and Board members requesting completion of the Declaration of Interest (contained as [Appendix A](#)).

A fresh declaration will be sought annually but members should declare any new conflicts as they arise during the year or as soon as is reasonably practical.

Where interests have been declared, these will be reviewed for any potential or actual conflict of interest. All returns will be electronically stored by Company Secretary.

5.11. Related Policies

- Further guidance for recruitment of Friends and Family, should be referred to when recommending a friend or family member. This can be found in the [We Refer Policy](#).
- Further guidance on personal account dealing which should be referred to prior to entering into such a transaction, including those relating to withdrawal of money held within the With Profits funds. This can be found in the [Personal Account Dealing Policy](#).
- For all gifts and forms of hospitality received, this activity should be conducted in accordance with the [Gifts and Hospitality Policy](#).
- Further information in respect of acts of bribery is detailed in the [Anti-Bribery and Corruption Policy](#).

6. Reporting

The following table details the specific reports to be prepared, whom the reports will be received by and their frequency.

Report Frequency	Report Focus	Prepared by	Reported to
i) At each Board Meeting	<p>Board Members</p> <p>A Register of Interests summarising potential and actual conflicts of interest from declarations submitted annually and updated as necessary during the course of the year (Appendix A)</p>	Company Secretary	Society Board
ii) Annual	<p>Risk Committee</p> <p>A Register of Interests summarising conflicts of interest from declarations submitted annually and updated as necessary during the course of the year (Appendix A)</p>	2nd Line Risk	Risk Committee
iii) Quarterly	<p>All Business Areas</p> <p>A Report sent to all business areas (from Company Secretariat) summarising all reported Conflicts of Interest compiled from forms submitted as per (Appendix F)</p>	Group Executives for each business area confirm accuracy to Company Secretariat	2 nd Line Risk
iv) As need arises	<p>All employees</p> <p>A Conflict of Interest should be reported to line managers using the Conflict of Interest reporting form (Appendix E)</p>	All employees	Line Managers

7. Examples of Conflicts

7.1. Conflicts of Interest examples

Conflicts of Interest can occur at any time and at any level in the Group. It is important to be on our guard against conflicts occurring. As a helpful guide some further examples of potential conflicts that may arise are detailed below. Please note this is not an exhaustive list of conflicts and if in doubt please contact your line manager/ Risk Team/ Company Secretary.

- When we engage with/ review a contract with a supplier there is the risk that there may be a potential conflict that the individual seeking to establish the contract has a personal/friendship relationship with the supplier in question;
- There can be conflicts of interest between group subsidiaries and Wesleyan Assurance Society (WAS) for example, the subsidiary may wish to consider using a third-party product rather than a manufactured product;
- There could be a conflict if colleagues move from First/ Second/ Third Line and work on the same projects/ areas of the business in their new roles;
- There could be a conflict if there is the same individual is risk owner and assessor when managing risks held on Magique;
- There could be conflicts between how we treat different groups of customers, for example how we allocate costs to current and future policyholders; and
- There could be a conflict of interest around go-live of projects and the project manager's incentive to complete them on time.

8. Appendix A

Declaration of Interest by Members of the Executive/Board of Wesleyan Assurance Society (and/or of its Subsidiary Companies)

1. The purpose of this declaration is to ensure that the Society holds full details of any interest of Executive/ Board Members which is in conflict or has the potential to be in conflict with their duty as an Executive/Board Member of Wesleyan Assurance Society (and/ or of its subsidiary companies).
2. A fresh declaration will be sought annually from each member, but members should declare any new conflicts of interest that arise during the year as soon as is reasonably practical.
3. Members of the Executive/ Board are required to complete this form in respect of themselves, and any other Connected Person as defined in the Society's Conflicts of Interest and Anti-bribery and Corruption Policy (attached).
4. The declaration will be amended as prescribed depending on the audience.

I hereby declare the following in regard to the Conflicts of Interest and Anti-bribery and Corruption Policy of Wesleyan Assurance Society:

I. I have read the attached Conflicts of Interest and Anti-bribery and Corruption Policy and confirm that I have complied with the said Policy *(Tick box to confirm)*

II. I acknowledge that I have the responsibility to disclose to the Society's Company Secretary, as soon as reasonably practical, any interest which is likely to give rise to a conflict of interest *(Tick box to confirm)*

III. **Declaration of Interests**

(Please indicate which of the statements below is applicable by ticking the relevant box only)

a) I currently have interests outside of the Society which might give rise to a conflict of interest as defined in the Society's Conflicts of Interest and Anti-bribery and Corruption Policy. A comprehensive list of all such conflicts is attached (including any shareholdings where these give rise to a conflict of interest or a potential conflict of interest);

or

b) I currently have no interests outside of the Society which might give rise to a conflict of interest as defined in the Society's Conflicts of Interest and Anti-bribery and Corruption Policy.

IV. **Declaration of non-Society related directorships or non-executive directorships**

(Please indicate which of the statements below is applicable by ticking the relevant box only)

a) I confirm that I have provided to the Society's Company Secretary details of the other non-Society related directorships or non-executive directorships that I hold or have held in the last 12 months and that these are documented in the attached schedule headed "Register of Executive /Board Members' Interests";

or

b) I have not held any other non-Society related directorships or non-executive directorships over the last 12 months.

SIGNED :
PRINT NAME :
POSITION :
DATE :

Wesleyan Assurance Society (and Subsidiary Companies)
Register of Executive/Board Members' Interests

Name of Executive/Board Member:

Name	Organisation	Nature of interest / Key activity	Start date of interest	Time Commitment

Signed:

Print Name:

Position:

Date:

- Note:**
1. Please include any organisation in which you exercise a degree of influence or control, such as membership of the Board, a position within senior management or a substantial shareholding i.e. > 20%.
 2. Please also include any such interests held by a Connected Person, as defined in the attached Conflicts of Interest Policy

9. Appendix B

Additional requirements for Wesleyan Assurance Society

B1 Introduction and Scope

These additional requirements will be relevant to:

Wesleyan Assurance Society and its staff when undertaking Insurance Distribution activities.

This will apply to all natural and legal persons (including each connected company, its customers, any person directly or indirectly linked by control, its managers or its employees) which have an interest in the outcome of insurance distribution activities that are distinct from the customer's or potential customer's interest in the outcome of the insurance distribution activities and have the potential to influence the outcome of the distribution activities to the detriment of the customer.

In the event that any of the following conflict with provisions elsewhere in the general principles, these provisions take precedence.

B.2 Procedures

Wesleyan Assurance Society will have in place appropriate procedures to be followed and measures to be adopted in order to manage conflicts and prevent them from damaging the interests of the customer.

B.3 Identification of Conflicts

As a minimum the following situations, will be identified:

- where Wesleyan Assurance Society, or person in scope is likely to make a financial gain, or avoid a financial loss, to the potential detriment of the customer;
- where Wesleyan Assurance Society, or person in scope has a financial or other incentive to favour the interest of another customer or group of customers over the interest of the customer; and
- where Wesleyan Assurance Society, or person in scope is substantially involved in the management or development of insurance-based investment products, in particular where such a person has an influence on the pricing of those products or their distribution costs.

B.4 Measures adopted to mitigate potential conflicts

The following measures must be applied, as appropriate, where conflicts are identified:

- effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of conflict of interest where the exchange of that information may damage the interests of one or more customers;
- the separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services, to customers whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the insurance intermediary or insurance undertaking;
- the removal of any direct link between payments, including remuneration, to relevant persons engaged in one activity and payments, including remuneration, to different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- measures to prevent or limit any person from exercising inappropriate influence over the way in which services or insurance distribution activities are carried out by the insurance intermediary

or insurance undertaking or their managers or employees or any person directly or indirectly linked to them by control;

- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate insurance distribution activities where such involvement may impair the proper management of conflicts of interest.

10. Appendix C

Additional requirements for Wesleyan Financial Services

C1 Introduction

These additional requirements are for employees of Wesleyan Financial Services (WFS). In the event that any of the following conflict with provisions elsewhere in the general principles, these provisions take precedence.

C.2 Scope of process

WFS will identify and prevent or manage conflicts when undertaking Insurance Distribution activities in relation to insurance distribution and insurance-based investment products (IBIPs);

When providing a service other than insurance distribution, WFS will identify and prevent or manage conflicts of interest. This will include those conflicts of interest caused by the receipt of inducements from third parties or by the firm's own remuneration and other incentive structures;

This will apply to all natural and legal persons (including each connected company, its customers, any person directly or indirectly linked by control, its managers or its employees) which have an interest in the outcome of insurance distribution activities that are distinct from the customer's or potential customer's interest in the outcome of the insurance distribution activities and have the potential to influence the outcome of the distribution activities to the detriment of the customer;

C.3 Procedures

Wesleyan Financial Services will have in place appropriate procedures to be followed and measures to be adopted in order to manage conflicts and prevent them from damaging the interests of the customer.

C.4 Identification of Conflicts

As a minimum the following situations will be identified in relation to the distribution of Insurance Based Investment Products:

- where Wesleyan Financial Services or a person in scope is likely to make a financial gain, or avoid a financial loss, to the potential detriment of the customer;
- where Wesleyan Financial Services or a person in scope has a financial or other incentive to favour the interest of another customer or group of customers over the interest of the customer; and
- where Wesleyan Financial Services or a person in scope is substantially involved in the management or development of insurance-based investment products, in particular where such a person has an influence on the pricing of those products or their distribution costs.

As a minimum the following situations will be identified in relation to services other than insurance distribution:

- where Wesleyan Financial Services or a person in scope is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- where Wesleyan Financial Services or a person in scope has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- where Wesleyan Financial Services or a person in scope carries on the same business as the client;

- where Wesleyan Financial Services or a person in scope receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

Measures adopted to mitigate potential conflicts

The following measures must be applied, as appropriate, where conflicts are identified:

- effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of conflict of interest where the exchange of that information may damage the interests of one or more customers;
- the separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services, to customers whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the insurance intermediary or insurance undertaking;
- the removal of any direct link between payments, including remuneration, to relevant persons engaged in one activity and payments, including remuneration, to different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- measures to prevent or limit any person from exercising inappropriate influence over the way in which services or insurance distribution activities are carried out by the insurance intermediary or insurance undertaking or their managers or employees or any person directly or indirectly linked to them by control;
- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate insurance distribution activities where such involvement may impair the proper management of conflicts of interest.

Any measures adopted must be designed to ensure that those engaged in activities which involve a Conflict of Interest carry them on with an appropriate level of independence.

C.5 Recording conflicts

WFS will keep and regularly update a record of the kinds of service or activity carried out on its behalf in which a conflict of interest has arisen or, in the case of an ongoing service or activity, may arise.

11. Appendix D

Additional requirements for Wesleyan Unit Trust Managers Limited

D.1 Introduction

These additional requirements are for the Employers staff working on behalf of Wesleyan Unit Trust Managers Limited (WUTM). In the event that any of the following conflict with provisions elsewhere in the general principles, these provisions take precedence. In the event that any of the following conflict with provisions elsewhere in the general principles, these provisions take precedence.

D.2 Identification of conflicts

Wesleyan Unit Trust Managers must have a process which allows it to identify and to prevent or manage conflicts of interest between:

- the firm, including its managers, employees or any person directly or indirectly linked to them by control, and a client of the firm (including the scheme); or
- one client of the firm and another client (including schemes); that arise or may arise in the course of the firm providing any service (including those caused by the receipt of inducements from third parties or by the firm's own remuneration and other incentive structures).

The process should apply to all natural and legal persons (including each connected company, its customers, any person directly or indirectly linked by control, its managers or its employees).

For the purposes of identifying the types of conflict of interest that arise Wesleyan Unit Trust Managers must take into account whether it or another person within the scope of the policy:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client (or scheme);
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome (also applies where the service is provided to, or the transaction is carried out on behalf of a client which is not a UCITS scheme);
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client (or scheme);
- carries on the same activities for the UCITS scheme and for another scheme or another client which is not a UCITS scheme; or
- receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

D.3 Further requirements

Wesleyan Unit Trust Managers Limited must document:

- with reference to the specific services carried out, the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more customers;
- procedures to be followed and measures to be adopted in order to manage such conflicts and prevent them from damaging the interests of the customer.
- measures adopted to mitigate potential conflicts measures to include the following where conflicts are identified:

- a) effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of conflict of interest where the exchange of that information may damage the interests of one or more customers;
- b) the separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services, to customers whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the insurance intermediary or insurance undertaking;
- c) the removal of any direct link between payments, including remuneration, to relevant persons engaged in one activity and payments, including remuneration, to different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- d) measures to prevent or limit any person from exercising inappropriate influence over the way in which services or insurance distribution activities are carried out by the insurance intermediary or insurance undertaking or their managers or employees or any person directly or indirectly linked to them by control;
- e) measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate insurance distribution activities where such involvement may impair the proper management of conflicts of interest;

D.4 Recording conflicts

Wesleyan Unit Trust Managers shall keep and regularly update a record of the situations in which a conflict of interest entailing a risk of damage to the interests of a customer has arisen or, in the case of an ongoing service or activity may arise.

The Wesleyan Unit Trust Managers Board should receive regular written reports of the situations in which a conflict of interest entailing a risk of damage to the interests of a customer has arisen, at least annually.

D.5 High Risk Activities

Wesleyan Unit Trust Managers must pay special attention to the activities of investment research and advice, proprietary trading, portfolio management and corporate finance business, including underwriting or selling in an offering of securities and advising on mergers and acquisitions. In particular, where the firm or a person directly or indirectly linked by control to the firm performs a combination of two or more of those activities.

The measures adopted must be designed to ensure that those engaged in activities which involve a conflict of interest carry on those activities with an appropriate level of independence.

D.6 Conflict Assessment, Referral and Disclosure

Wesleyan Unit Trust Managers Limited will establish a method of regularly assessing whether the measures and procedures referred to above are appropriate to ensure that the activities are carried out in accordance with the best interest of the customer and are not biased due to conflicting interests.

In the event that measures are found to be insufficient, Wesleyan Unit Trust Managers Board will be promptly informed in order to take any necessary decision to ensure that the firm acts in the best interests of the scheme and its unitholders.

Where a referral to senior management is made, Wesleyan Unit Trust Managers will disclose the decision to the unitholders affected in a durable medium providing reasons for its decision.

A disclosure must include:

- a) a specific description of the conflict of interest in question;
- b) an explanation of the general nature and sources of the conflict of interest;
- c) an explanation of the risks to the client that arise as a result of the conflict of interest and the steps undertaken to mitigate those risks;
- d) a clear statement which set out that “the organisational and administrative arrangements established by the insurance intermediary or insurance undertaking to prevent or manage the conflict of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented”; and
- e) sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises.

The Wesleyan Unit Trust Managers Limited Board will assess and periodically review, on an at least annual basis, the conflicts of interest policy and take all appropriate measures to address any deficiencies.

12. Appendix E

Conflict of Interest Disclosure Form ([link to Microsoft form](#))

A conflict of interest can arise where you or entities have competing interests and where serving one interest may lead to detriment to the other.

A conflict of interest arises when your work for Wesleyan could be affected by a personal interest or personal association or when the activities undertaken for the benefit of business could have a detrimental effect on our customers or to another party. It becomes significant if an independent third party might reasonably take the view that there is a risk that our actions (or those of a personal associate) could be affected, whether or not they are actually affected.

Name:

Position:

Business Division:

Line Manager conflict reported to:

Date the conflict or potential conflict arose/ or will arise:

Is the conflict ongoing? Yes/No

If No, has it concluded, or do you know when it will conclude?

If Yes, it should be recorded on Magique. Has it been recorded? Yes/No

Provide the Risk Ref from Magique:

Nature of the Conflict: Describe the conflict/potential conflict, include details of how detriment has/ or could occur and which party has suffered detriment or is at risk of detriment.

.....
.....

Describe what controls have been put in place to mitigate the conflict

.....
.....

Has this mitigated the conflict? Yes / No

If No, and the detriment impacts customers has customer documentation been updated to include a disclosure to make clear there is nothing we can do to prevent the conflict from causing harm to customers? Yes/No

Please provide details:

.....
.....

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Signature: _____

Date: _____

13. Appendix F

Conflicts of Interest Quarterly Return

This is to confirm actual or potential conflicts of interest that have arisen in each division on a quarterly basis using the same fields as recorded on Individual Reports as set out in Appendix E.

The forms submitted will be logged on a spreadsheet by Company Secretariat and issued to the Chief of the Division to attest that the record is correct.

Return to be sent to Company Secretariat quarterly – (a reminder will be issued to EAs/Business Managers)

Company Secretariat will query if mitigation is not adequate.

Company Secretariat will share reports with the Risk Team and seek support if further investigation is required.

Any issues arising from the quarterly returns will be shared with the Risk Committee as necessary.

14. Policy administration

14.1. Related policies

- ▶ See 5.11 above

14.2. Policy Stakeholders

Any material changes to this policy should be communicated to GOEC and the Board. For any policy changes that require global distribution the support of the Internal Communications team should be sought.



14.3. Overall compliance mechanism

Compliance with this Strategy and Policy will be achieved through the monitoring of compliance with the principles and minimum standards set out in this document and the processes established to implement it.

Conflicts of Interest Policy monitoring and reporting is the responsibility of the Company Secretariat. Breaches should be reported to CFO in the first line of defence and Head of Non-Financial Risk in second line of defence.

The following should be available on request as evidence of policy adherence:

- ▶ Conflicts of interest Register by Division/Individual Conflicts of interest Forms/Conflicts recorded on Magique