

# CONFLICTS OF INTEREST & ANTI-BRIBERY POLICY

DECEMBER 2017



*Wesleyan believe in you*

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# 1. OBJECTIVES

## 1.1 Scope

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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, Wesleyan Bank, Practice Plan (including DPAS) and any other notified subsidiary companies. For the purpose of this policy therefore the relevant subsidiary company is referred to as the Employer.

Wesleyan staff 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 about it 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.**

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## 2. DEFINITIONS

### 2.1 Definition of key terms used

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Term	Definition
Connected Persons	Your spouse, civil partner, children or step children 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.  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	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: <ul style="list-style-type: none"><li>• non-life insurance products;</li><li>• 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;</li><li>• 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;</li></ul>

	<ul style="list-style-type: none"> <li>officially recognised occupational pension schemes;</li> <li>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.</li> </ul>
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.
Staff	Employees (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"> <li>enables the recipient to store information addressed personally to them.</li> <li>have access to the information must for future reference for an adequate period of time (suited to its purpose); and</li> <li>allows unchanged reproduction of the information stored.</li> </ul>

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## 3. CONFLICTS OF INTEREST

### 3.1 Introduction

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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 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 members of staff 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 policy.

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.

### 3.2 General Principles

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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.

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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 staff 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 either:

- ▶ 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.

### 3.3 What is a conflict of interest?

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

Conflicts of interest may arise in various ways. For example as the result of:

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

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- ▶ 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.
  - ▶ receipt of inducements from third parties, or the Employer's own remuneration and other incentive structure.

This list is not exhaustive, nor will all of the examples necessarily give rise to significant conflicts of interest. If you are in doubt about whether a conflict has arisen, please consult the Company Secretary, unless specified.

### 3.4 The position for all staff

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We require the same general principles to be applied to management, staff, contractors, consultants 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 - this should be reported to your line manager
- ▶ 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 Director of HR and Corporate Services.

You should disclose to your superior any conflict of interest arising from the work that you are performing as soon as you become aware of the conflict of interest.

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.

A separate policy exists for recruitment of Friends and Family, which should be referred to when recommending a friend or family member.

A separate policy exists to provide 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.

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:

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- ▶ receipt of a gift or hospitality from a prospective supplier with whom the person then recommends that the Employer or any subsidiary signs a significant contract; (this could also constitute a bribery offence); or
  - ▶ receipt of a gift from a supplier after the signature of a contract by the Employer or any subsidiary with that supplier (this could also constitute a bribery offence); or
  - ▶ 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.

For all gifts and forms of hospitality received this activity should be conducted in accordance with the relevant Gifts and Hospitality policy.

Further information in respect of acts of bribery is detailed in section 4 of this document.

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.

### **3.5 Conflicts of interest when transacting with customers**

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The provision of advice to a customer in respect of the sale of products offered through the Employer gives rise to a potential conflict of interest between the interests of the person (and the group) and those of the customer. For example in the case where the most suitable product for a customer is a deposit account an investment backed product is recommended for which the Financial Consultant will be remunerated. Sale of these 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.

We monitor these sales through processes established by the Employer and the customer has rights to complain thereafter, should they feel disadvantaged, with the possibility of referral to an independent adjudicator. Therefore, it is anticipated that this type of conflict of interest will be suitably managed so as to avoid the possibility of customer detriment.

Notwithstanding the above occasions may arise, whilst dealing with a customer, where a Financial Consultant is placed in a situation similar to those shown in 3.5 and outside of the normal sales process. Examples of these 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 expert, contrary to the customer agreement and for which suitable qualification is not held.

In such circumstances the rules shown above should be applied.

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## 3.6 Monitoring and Review

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Management responsibility is to ensure that the risk assessments undertaken reflect the potential conflicts of interest risks arising from personal and business activities and that the associated controls in the event existing measures are found to be insufficient, adequate alternative measures and procedures must be put in place. This will be monitored by Senior Management at least annually. Additionally, further monitoring will be undertaken by Risk through the Operational Risk & Control Assessment (ORCA) process and by ad-hoc Compliance and Corporate Audit through their respective reviews.

The Society, its affected Business Units and subsidiary companies will keep and maintain a complete and accurate 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. These records shall be retained by the business and made available for inspection by the FCA upon request.

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.

## 3.7 Disclosure

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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 before the conclusion of a contract of insurance. Business Units will have responsibility for, and determine, 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 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 customer will be prevented”
- 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.

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## 3.8 Additional requirements for some staff

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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 Appendix B – D.

It is the responsibility of the subsidiary or Business Unit 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.

## 3.9 Additional requirements for directors

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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;*

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- 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.*
- 6) *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 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.

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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.

### **3.10 Declaration of Interest by Members of the Executive and Board**

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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.

## **4. BRIBERY**

### **4.1 Introduction**

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In addition to the rules surrounding conflicts of interest, events can occur which constitute an act of bribery under the Bribery Act of 2010. Within the Act the following offences have been introduced:

- ▶ Active bribery – giving, promising or offering of a bribe with intent to induce a person to perform their function improperly
- ▶ Passive bribery – requesting, accepting or agreeing to receive a bribe as a reward for performing a function improperly

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- ▶ Bribery of a foreign public official –of limited relevance to the Employer, but may need to be considered where for example, a company we were dealing with had some operations based overseas.
  - ▶ Failure to prevent bribery – firms must have procedures in place to prevent their staff or any other associated persons, from acts committing acts of bribery.

The Act also introduces severe penalties for offenders:

- ▶ Unlimited fines
- ▶ Up to 10 years imprisonment
- ▶ Disqualification of Directors

It is the Employer's policy to conduct all of its business in a transparent, honest, and legal manner. We take a zero-tolerance approach to bribery and corruption (see also Anti-fraud & Anti-corruption policy) and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.

Any suspected acts of bribery will be fully investigated and dealt with as set out in the Employer's disciplinary procedure. Anyone found responsible for acts of bribery (giving or receiving) will be dealt with firmly and promptly and if appropriate, the matter will be referred to the relevant law enforcement agencies.

## 4.2 Prevention of bribery

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Firms are required to have in place 'adequate procedures' to prevent acts of bribery by associated persons (see below), although the guidance issues by the Ministry of Justice stresses that this should be proportionate to risk. A risk assessment has been undertaken to identify where the Employer has potential exposures and the results have been documented by the Risk Department.

This risk assessment forms the basis of the Employer's response to the Act. The Employer has a range of measures in place which will help to prevent acts of bribery. These are also documented in the risk assessment.

The Wesleyan Assurance Society Board fully endorse the Zero tolerance approach to bribery and support all measures being taken to ensure that the Employer has a proportionate response in place to the provisions of the act including continuous development of the adequate procedures framework and relevant policies.

## 4.3 Monitoring and review

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Our management has the responsibility to ensure (by continual review) that the risk assessment reflects the bribery risks arising from business activities and that the associated controls remain adequate to prevent those risks from materialising. This will be monitored by Risk through the ORCA process and by Corporate Audit through their reviews.

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## 4.4 Associated persons

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For the purposes of the Bribery Act an associated person is ‘someone who performs services for and on behalf of the firm’. This can encompass directors (including non-executives) employees, agents, subsidiaries, joint venture partners, contractors and possibly in some situations, suppliers.

## 4.5 Duties of persons as regards suspicions of an act of bribery

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You have a duty to report immediately to your line manager or otherwise in accordance with our Speak Out Policy if you suspect that an incident of bribery has occurred. Suspicions may be raised by particular incidents (e.g. a strange payment) or by general unease (e.g. a fellow person apparently living beyond their means).

You also have an obligation under the Proceeds of Crime Act (POCA) 2002 to report (to the nominated Officer, i.e. the Money Laundering Reporting Officer (MLRO) when there are reasonable grounds to know or suspect that there is criminal property in existence. In the case of a suspicion of bribery, this would relate to any benefit that may have been acquired by the person(s) suspected of committing an act of bribery. Failure to report would be a criminal offence under POCA for which the penalty could be a fine or imprisonment. You have a duty not to inform someone who is suspected of participating or colluding in financial crime, including your line manager.

# 5. 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	<b>Board Members</b> 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)	Company Secretary	Society Board

Report Frequency	Report Focus	Prepared by	Reported to
ii)Annual	<p><b>Members of the Executive</b></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	GEM

## 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 a 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 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 Policy of Wesleyan Assurance Society:

I. I have read the attached Conflicts of Interest and Anti-bribery 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 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 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 :** .....

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

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**Name of Executive/Board Member:**

<b>Nature of Interest</b> <i>(e.g. shareholder/ owner/senior management of organisation, relative with interest)</i>	<b>Name of organisation/body</b>	<b>Key activity or description of organisation</b>	<b>Start date of holding the interest</b>	<b>End date of holding the interest</b> <i>(if applicable)</i>

**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 and Anti-bribery Policy

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## Appendix B

# Additional requirements for Wesleyan Assurance Society and Wesleyan Bank

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### B.1 Introduction and Scope

These additional requirements will be relevant to:

- Wesleyan Assurance Society and its staff when undertaking Insurance Distribution activities.
- Wesleyan Bank and its staff when undertaking Insurance Distribution activities in relation to the 'Trustee Investment Plan' product via its Self-Invested Personal Pension.

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.

### B2 Procedures

Wesleyan Assurance Society and Wesleyan Bank 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, Wesleyan Bank 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, Wesleyan Bank 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, Wesleyan Bank 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:

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- 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.

## Additional requirements for Wesleyan Financial Services

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### C.1 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.

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

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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.

#### 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.

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.

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## 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.

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## Appendix D

# Additional requirements for Wesleyan Unit Trust Managers Limited

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### D1 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.

### D2 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.

### D3 Further requirements

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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;

#### D4 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.

#### D5 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

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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.

#### D6 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”;
- 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.