

Conflicts of Interest Policy Summary (EMEA)

As at 16th January 2020

1. Introduction

This document is a summary of the Threadneedle Asset Management Holdings Sàrl Group's (the "Group") Conflicts of Interests policy and framework. Employees, other agents and directors of Group firms are required to act in accordance with the policy and to a high ethical standard set out in the Group Code of Conduct.

In line with our ethical, regulatory and fiduciary obligations, it is our policy to place a high priority on our clients' interests. Conflicts of interest affecting clients must be identified as early as possible.

Conflict situations must be mitigated and managed equitably and in the clients' interest with appropriate systems and controls. Appropriate disclosure of conflicts to clients will be provided if we were unable to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented. Further, in certain circumstances it may not be appropriate to pursue a business relationship with a potential client.

2. Policy Standards: Approach to the Management of Conflicts

a. Identification of Conflicts

The Group seeks to identify and document conflicts of interest and seeks to regularly update these as our business evolves.

■ Types of Conflict

There are several different categories of conflict, including those:

- between the Group and affiliated companies;
- between companies within the Group;
- between the Group and suppliers;
- between the Group and client(s);
- between employees/agents/directors of the Group and client(s); and
- between client(s) and other client(s).

■ Conflicts Register and Reporting

Known inherent and potential conflicts of interest are logged in the Conflicts Register held by Compliance. The Register and Policy is centrally reviewed by the Compliance department as well as by conflicts owners/delegated owners at least annually (via a formal attestation process). Compliance provides ongoing regular reporting on conflict matters to relevant governing committees and Boards.

■ On-going Identification

In the normal course of business, we educate staff about conflicts and make them aware of the Conflict of Interest Policy and Conflicts Register. The Group requires all employees, contractors and directors to report any new actual or potential conflicts of interest they identify to their line manager for onward escalation.

In particular, we review proposed changes to the business for potential conflict issues before engaging in a change, for example with:

- new client take-ons;
- new product launches;
- new service provision;
- new company/business establishment or acquisition; and
- outsourcing.

■ Facilitative Policies

We have adopted policies and procedures to facilitate the management of conflicts of interest, e.g. a “whistle-blowing” policy, as well as a range of other policies tackling specific issues.

■ Monitoring and Reporting

Internal monitoring of the application of the Conflict of Interest Policy, disciplinary action in the event of a failure to comply with the policy and the regular provision of information to management further support the identification of conflicts.

b. Management and Mitigation of Conflicts

For each potential conflict identified, the Group will implement processes, systems and controls as necessary to avoid/mitigate the impact upon a client. We devise our organisational structures and processes to avoid encouraging behaviour that could lead to conflicts.

Conflict mitigation steps are identified in the Conflicts Register and updated as required. We encourage staff to improve processes, systems and controls on an ongoing basis.

c. Disclosure & Unacceptable Conflicts

Where there are no means of avoiding or managing a conflict, or where the measures in place are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, such a conflict shall be escalated to Board Committee level. Unless further satisfactory mitigating steps can be taken, the relevant Board Committee will decide either to:

- appropriately disclose the relevant conflict following guidance from the Compliance department to enable the client to make an informed decision as to whether or not to continue with the Group’s provision of services in that particular situation; or
- communicate to a prospective or existing client that a service cannot be provided.

Disclosure without adequate consideration as to how conflicts may appropriately be managed is not permitted.

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