Conflicts of Interest Policy and Procedures

Introduction

Hargreaves Lansdown maintains and operates effective organisational and business arrangements taking all reasonable steps to identify, monitor and manage conflicts of interest. To help us do this we have put in place a policy to safeguard our clients' interests. The key information, as well as some of the more common conflicts that may arise are summarised below. Our policy covers areas such as how we interact with the interests of different clients and with other HL Group Companies and third parties.

Our Conflicts of Interest Policy

Like any financial services company, we are potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients' interests is our main concern:

- We will identify circumstances which may give rise to conflicts of interest and potential conflicts of interest
- We have established and will maintain appropriate mechanisms and systems to manage those conflicts.

Conflicts of interest

Conflicts of interest are impossible to rule out. We define conflicts of interest as:

- Conflicts of interest between Hargreaves Lansdown and you. For instance, if we are providing a service to you and, beyond that, we have a material interest, relationship or arrangement in the transaction or product or service; the decisive factor is whether we make a profit or avoid a loss to your disadvantage; or
- Conflicts of interest between our clients if we are acting for you and for another client and your two interests conflict materially.

We have identified such conflicts of interest in our business. These could include, but are not limited to:

- Providing services in different capacities at the same time, e.g. dealing and arranging services and research and publications and advising you
- Giving to you investment advice and/or providing a portfolio management service or recommending our own funds and platform to you
- Acting for more than one client in a transaction
- Providing services to investment institutions about which we have recommended or about which we advise you
- Holding confidential information on other clients which, if we disclosed or used, would affect you or other clients
- Accepting gifts or entertainment that could be construed as conflicting with our duties to you
- Hargreaves Lansdown employees pursuing business activities outside the company
- Hargreaves Lansdown maintaining personal relationships potentially detrimental to you
- Staff having personal holdings in Investments Groups or companies which we conduct research.

Our measures

The measures we have adopted to manage conflicts are summarised below. We consider them appropriate to take reasonable care that, in relation to each identified conflict of interest, we act impartially to avoid a material risk of harming your interests and at all times adopt relevant measures to mitigate conflicts.

a. Policies and Procedures

We have adopted many policies and procedures throughout our business to manage potential conflicts of interests as well as to ensure your documents and data remains safe and secure at all times. Our employees receive guidance in these policies and procedures and our Senior Managers are responsible for ensuring that our systems, controls and procedures are robust and adequate to identify and manage any conflict that may arise.

All our policies and procedures are written to ensure that conflicts and potential conflicts are mitigated or avoided.

We maintain an up to date register of actual and potential conflicts and how we manage these with the aim of having an effective way of preventing clients' interests being unfairly affected. These are subject to monitoring by the relevant managers and processes are periodically reviewed quarterly by our Compliance team.

b. Information barriers

Our employees respect the confidentiality of client information and do not disclose it or use it inappropriately. Generally Hargreaves Lansdown will not come into possession of price sensitive information, if a situation arises where we do; we have robust procedures to prevent any unauthorised exchange of information.

c. Separate supervision/functions

Two departments or businesses which, if run together, could encounter conflicts of interest have a division of duties as well as a separation of management. For example, back office and front office tasks are separated between managers to ensure that specific administration functions are undertaken by different senior members of staff and receive the appropriate supervision.

The Research Team, Investment Team and the Advisory divisions also work under a specific Policy, which has been set and reviewed by the Board.

d. Remuneration
All relevant staff that are open to a conflict of interest are paid by basic salary, which is not dependent on company performance. There is also a bonus scheme which is linked to company performance and department performance as well as individual performance, the bonus scheme is discretionary. Pay and bonuses are linked to numerous factors and a remuneration committee ensures that any incentives are consistent with the provision of fairness and do not create conflicts. Remuneration of our research team and analysts does not differ from the remuneration policy that applies to other employees; it is not linked in any way to specific transactions.

e. Inducements
Inducements from third parties in relation to a service provided to you are acceptable to Hargreaves Lansdown only if (1) the inducement is disclosed to you and (2) it is either the payment of a normal fee or commission and does not impair our duty to act in your best interests.

f. Personal account dealing and Order Handling Policy
To prevent conflicts arising from the use of information obtained from clients, and market abuse in general, all employees are subject to personal account (PA) dealing rules which govern the system they must follow.

All Directors and Director' shareholdings are disclosed and kept in a register by the Company Secretary.

We also have strict Order Handling Policies which ensures best execution of our clients' transactions at all times.

g. Employees' activities outside Hargreaves Lansdown.
Our employees are required to disclose any paid employment outside the company. This allows the company to manage Conflicts should there be any.

h. Staff Training
Staff are provided with training when joining the company. Ongoing reminder training is provided to ensure staff have continued awareness of what is expected.

i. IT development and maintenance
To manage potential Conflicts we do not have any third party arrangements with investment groups to provide monetary or non-monetary assistance. All development and maintenance is carried out internally.

j. Gifts
Hargreaves Lansdown employees will not accept any gifts or hospitality other than those considered normal in their line of business. Excessive gifts may result in a conflict of interest, something we are committed to avoiding.

We keep a register of all gifts worth over £50 and a Senior Manager is required to give personal 'sign off '.

k. Distribution deals
The company does not seek or create long term distribution relationships with fund groups to generate an income stream.

l. Declining to act
We may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

m. Client information security
We will not use client information for any other purpose other than to provide clients with financial services. We do not share client specific information with any third party without their consent except the industry regulator the Financial Conduct Authority.

n. Client complaints
All complaints are handled within an independent Client Services team with no interest in a certain outcome.

o. Disclosure
If there is no other way of managing a conflict, or where the measures in place do not sufficiently protect your interests as a client, the conflict will be disclosed to allow you to make an informed decision on whether to continue using our service in the situation concerned.

p. Use of Hargreaves Lansdown funds and services
The company has its own multi-manager funds and also offers a discretionary management service. There is no financial incentive for any Hargreaves Lansdown adviser to recommend one product or service over another. Any services or products provided by the Group will be clearly disclosed.

q. Research and Publications
Investment research can be found in different publications that we issue. We have a team of qualitative and quantitative analysts who are dedicated to investment research. The input from both these teams is essential to deliver high quality research about a broad range of funds and to select what we consider to be the best funds available in the market.

The company uses the same fund research provided to clients which is also used by the Hargreaves Lansdown Fund Managers for the Hargreaves Lansdown Multi-Manager funds. We have a policy in place where the Fund Managers will not deal on any information before clients have access to the same research.

From time to time the Hargreaves Lansdown Multi-Manager funds will invest in funds which are not included on the W150 list. These funds are not included on the W150 as they are not available for retail clients to purchase.

If any third party fund which we promote has a significant discretionary holding of Hargreaves Lansdown shares, we will ensure this is disclosed to clients before investing.

From time to time we will be involved as an intermediary in an IPO for which we will receive commission from the issuing company. Hargreaves Lansdown will ensure clients are aware of this before investing.

We maintain independence from the fund management companies when our research team write articles this means that when we provide our 'view' about investments or equities we are not influenced by third parties. The company's business model does not incentivise the sale or purchase of funds nor does it look for short term revenues.

Employees are required to disclose any financial interest they may have and are all subject to Personal Account dealing procedures as detailed previously.

r. Public Relations

The PR team are not incentivised to promote products and services over others and like other employees of the company adhere to the PA dealing procedures.