Conflicts of Interest policy

Purpose

Hargreaves Lansdown maintains and operates effective arrangements to identify, monitor and manage conflicts of interest:

- Between employees and/or directors and Hargreaves Lansdown; and/or
- Between employees and/or directors and a client; and/or
- Between Hargreaves Lansdown and a client; and / or
- Between clients, that can arise in the course of providing any service.

Hargreaves Lansdown’s processes prevent conflicts of interest from damaging the company or the interests of its clients. Hargreaves Lansdown will identify the circumstances which may give rise to a conflict of interest and specify steps to be taken in order to manage such conflicts of interest.

Hargreaves Lansdown maintains a Conflicts of Interest Register that sets out the types of service or activity carried out by Hargreaves Lansdown in which a conflict of interest entailing a risk of damage to the interests of clients has arisen and specifies mitigating controls and responsibilities. This includes conflicts of interest that may arise through the structure of the business entities within the Hargreaves Lansdown Group.

Conflicts of Interest Policy

Conflicts of interest should either be avoided or controlled. Where conflicts of interest cannot be avoided, Hargreaves Lansdown will disclose the nature and source of the conflict of interest to the client before undertaking business for the client. Hargreaves Lansdown will provide sufficient detail to enable the client to make an informed decision in relation to the service offered.

Hargreaves Lansdown will manage conflicts of interest fairly, both between itself and its employees and directors, and itself and its clients and between one client and another.

Types of Conflicts of Interest

The broad types of conflict of interest that could arise in the course of providing services to clients are:

- Making a financial gain, or avoiding a financial loss, at the expense of a client or a group of clients;
- Where Hargreaves Lansdown has an interest in the outcome of a service provided to a client or of a transaction carried out on behalf of a client, which is distinct from the client’s interest in that outcome;
- Where Hargreaves Lansdown has a financial or other incentive to favour the interest of another client or group of clients over the interests of a different client;
- Where Hargreaves Lansdown carries on the same business as the client; or
- Where Hargreaves Lansdown 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.
Situations in which Conflicts of Interest could arise and measures taken to avoid or control the Conflict of Interest

The purpose of this section is to set out typical situations in which conflicts of interest arise and are managed in the course of Hargreaves Lansdown’s day-to-day business, so that employees are better equipped to identify, report and assist in eliminating or managing conflicts.

Inducements, Gifts and Reimbursement of costs

- The giving or receiving of gifts, entertainment, or any other form of gratuity or hospitality by or to Hargreaves Lansdown employees or directors may create the appearance of a lack of impartiality and may lead to a potential conflict between the interests of the donor/donee and the interests of clients. Hargreaves Lansdown employees and directors must act in line with the Gift and Hospitality policy.
- Hargreaves Lansdown will only accept payments from providers in relation to designated investment business where they constitute Customer Agreed Remuneration under COBS 6.1, or where they conform to the table of reasonable non-monetary benefits in COBS 2.3.15 guidance or represent the reimbursement of costs incurred by advisory firms in providing the services.
- HL will not pay or accept any fee or commission, or provide or receive any non-monetary benefit, in relation to designated investment business carried on for a client other than:
  - a fee, commission or non-monetary benefit paid or provided to or by the client or a person on behalf of the client; or
  - a fee, commission or non-monetary benefit paid or provided to or by a third party or a person acting on behalf of a third party, if it is satisfied the payment does not impair compliance with the firm’s duty to act in the best interests of the client; and the existence, nature and amount of the fee, commission or benefit is clearly disclosed to the client, in a manner that is comprehensive, accurate and understandable, before the provision of the service.

Remuneration Policy/Performance Fees:

A conflict may arise in respect of the Hargreaves Lansdown’s fee-based income from its assets under management. Hargreaves Lansdown will ensure that all investment holding valuations are conducted on an “arm’s length” basis by a fund administrator of good repute and in accordance with the valuation policy applicable to the relevant Alternative Investment Fund.

Outside Business Interests

Hargreaves Lansdown employees may hold outside business interests, such as directorships or shareholdings, in service providers or other firms. Hargreaves Lansdown has identified that such outside business interests or investments could cause a potential conflict between the personal interest of the relevant Hargreaves Lansdown employee and the interests of Hargreaves Lansdown’s clients.

Hargreaves Lansdown employees must disclose all outside business interests to the Company Secretary who will maintain a register of approvals.

Personal Interests in Alternative Investment Funds or UCITs

The potential conflict may be that a Hargreaves Lansdown employee receives an economic or other benefit compared to third party investors. Hargreaves Lansdown does not provide such benefits.
Cross Trading between Clients

Hargreaves Lansdown does not permit cross trading of financial instruments between its clients.

Panel selection and exclusive single provider deals

- Inclusion of providers on the Hargreaves Lansdown Advisory Services advice panel will not be influenced by the provider’s willingness and ability to purchase significant services from, or provide other benefits to, Hargreaves Lansdown Advisory Services.
- Hargreaves Lansdown Advisory Services will not enter into exclusive distribution arrangements with a single provider.

Personal Recommendations

Hargreaves Lansdown will not enter into commercial arrangements that influence inappropriately the personal recommendations made by its advice team. This includes multi-year agreements with providers or agreements with clauses that guarantee status on Hargreaves Lansdown product panel.

IT Development and Maintenance

Hargreaves Lansdown will not accept payments, or other assistance from providers for developing software or other computer facilities that go beyond that which is required to operate software supplied by the provider, payments from providers to develop general IT systems, or infrastructure and annual payments from providers for General IT maintenance.

Training

- Hargreaves Lansdown Advisory Services will only accept the provision of training facilities (for example, lectures, venue, written material and software) where the quality of service to the client will be enhanced as a result of such payments. No non-UK training is accepted.
- Hargreaves Lansdown will only accept the reimbursement of the reasonable costs incurred in providing the training. If there is any hospitality provided then it will only be acceptable where it complies with the Hargreaves Lansdown policy on gift and hospitality payments.
- Hargreaves Lansdown may accept training from providers where it relates to the features and benefits of its products or services and supports an adviser’s continuing professional development, provided it is UK-based. However, the acceptance of such training must not lead to channelling of business to a provider or be dependent on appearance on a panel.

Conferences and Seminars

Hargreaves Lansdown does not permit the following which are unlikely to be in the best interests of clients:

- Excessive payments from a provider to take part in the firm’s annual advisory conference.
- Payments to Hargreaves Lansdown for attending seminars and conferences.
- Seeking recovery of all costs incurred in running seminars and conferences from providers. Contributions from 3rd parties must be limited to the costs associated with the providers’ active participation, where active participation must involve presentations of genuine business benefit.
- Payments from a provider on a restricted panel of the advisory firm.
• Any payments where there is no obvious benefit to providers from contributing towards the costs of the seminar/conference.

Remuneration
• All staff are paid by basic salary, which is not dependent on company performance.
• There is 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.
• Staff may be invited to participate in a share option or long term incentive plan. Grants of awards or options under those schemes/plans will be subject to the rules of those schemes. As with bonuses, grants of options/awards is discretionary and subject to the oversight of the remuneration committee to ensure that incentives are consistent with the provisions of fairness and do not create conflicts.

Personal account dealing and Order Handling Policy
• Misuse of material non-public information: The improper use of such information by Hargreaves Lansdown employees or directors could cause a conflict with the interests of the Hargreaves Lansdown’s clients and may also be unlawful. The Hargreaves Lansdown Market Abuse policy provides further guidance in this area.
• Personal Account Dealing: Hargreaves Lansdown employees may engage in the trading of securities or other instruments for their own account. Such trading activities may put those employees or Hargreaves Lansdown, in conflict with the interests of the Hargreaves Lansdown’s clients (for example, by having a personal interest in a transaction with a client, or by front-running transactions with clients). To prevent conflicts arising from the use of information obtained from clients, and market abuse in general, all employees are subject to personal account dealing rules which govern the system they must follow, as set out in the PA Dealing Policy (in relation to share dealing generally) and the Group-Wide Share Dealing Policy (in relation to dealing in shares of Hargreaves Lansdown plc). All Directors’ and PDMRs’ shareholdings and dealings are disclosed and kept in a register by the Company Secretary.¹
• Hargreaves Lansdown has strict Order Handling Policies which ensures best execution of our clients’ transactions at all times.

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

Client information security
Hargreaves Lansdown 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 where required to do so by law (e.g. to the industry regulator, the Financial Conduct Authority).

Client complaints
All complaints are handled within an independent Client Services team who are not incentivised based on the outcome of the complaint and do not have an interest in a certain outcome.

Disclosure
- Conflicts of interest will be disclosed to allow a client to make an informed decision on whether to continue using our service in the situation concerned.
- Hargreaves Lansdown has its own multi-manager funds and offers a discretionary management service. Financial incentives for HL advisers are product- and service-neutral. Any services or products provided by the Group will be clearly disclosed.

Research and Publications
- Hargreaves Lansdown produces research covering a broad range of funds. Hargreaves Lansdown Fund Managers use the same fund research provided to clients for the Hargreaves Lansdown Multi-Manager funds. Hargreaves Lansdown Fund Managers will maintain procedures to ensure the fair treatment of all client groups.
- Neither the HLMM funds nor the HL Select UK Growth funds will be included on the W50 lists to avoid this potential conflict of interest.
- If any third party fund which we promote has a significant holding of Hargreaves Lansdown shares, we will ensure this is disclosed to clients.
- Employees are required to disclose any financial interest they may have and are all subject to Personal Account dealing procedures as detailed previously.

Public Relations
- The Public Relations team are not incentivised to promote products and services over others and like other employees of the company adhere to the Personal Account Dealing policy.

Equity Fund Management & Share Commentary
The management of equity funds creates a number of additional potential conflicts of interest which require management and disclosure.

- Managers are not permitted to deal ahead of the fund for their own account, or to trade on non-public information for his own account, or on behalf of the fund; Employees involved in the preparation of equity commentary are not permitted to deal for own account ahead of publication of research. *These risks are mitigated through the PA Dealing policy and process, Market Abuse training for staff and PA Dealing controls built into the platform trading controls.*
- Managers are not permitted to disclose details of proposed buys or sells for the fund before these are actioned; Managers are not permitted to provide misleading equity commentary, or to provide equity commentary (share tips and recommendations) for the brokerage arm of HL.
- In order to manage conflicts of interest that arise from providing both equity funds and equity commentary, HL has implemented Chinese walls to maintain segregation of information. All staff within this room as classed as restricted and have separate line management.
Roles and Responsibilities

It is the responsibility of every employee of Hargreaves Lansdown to comply with the provisions of this policy. Any breach of this policy by a Hargreaves Lansdown employee may lead to disciplinary action.