

# Canada Life UK (CLUK) Conflicts of Interest Operating Policy



# Canada Life UK (CLUK) Conflicts of Interest Operating Policy

## Last Approved by:

<b>Canada Life Limited (CLL) Board</b>	15 September 2021
<b>Canada Life Asset Management Limited (CLAM) Board</b>	28 September 2021
<b>Stonehaven UK Ltd (Stonehaven) Board</b>	23 September 2021
<b>Canada Life Platform Limited (CLP) Board</b>	22 September 2021
<b>Next Review by Policy Owner Due by</b>	September 2022
<b>Version Number</b>	8.0

## Contents

1. Introduction .....	3
2. Risks Management in CLUK .....	6
3. Overall Approach.....	9
4. Business Implementation.....	12
Appendix 1: Policy Requirements.....	16
Appendix 2: UK Regulatory Requirements.....	21
Appendix 3: Policy Attestation – Process & Components .....	23



# 1. Introduction



# 1. Introduction

## 1.1 Overarching Approach

This policy is designed to cover entities within the Canada Life UK (CLUK) Group of companies whose Boards have adopted it and will comply with its requirements, shown in the approval table in the header on page 2. For this policy the term 'CLUK' is used to refer to those specific companies. Where requirements do not apply to one of these entities, due to different regulatory or business model requirements, or if additional requirements are needed for the same reason, this will be clearly signposted and documented within the Policy or Appendices.

CLUK recognises the importance of having appropriate systems and controls in place to identify and to prevent or manage potential, perceived and actual Conflicts of Interest that arise in the course of providing its services between itself, including its employees, or any person(s) directly or indirectly linked to it by control, or between one customer and another. Key to this is maintaining and operating effective organisational and arrangements including those with other group companies.

In determining the types of conflict of interest that arise or may arise in the course of providing services and whose existence may damage the interests of one or more customers/clients, CLUK will assess whether it, its employees, officers, shareholders or any person(s) directly or indirectly linked to it by control:

- is likely to make a financial gain or avoid a financial loss, at the expense of the customer/client;
- has a financial or other incentive to favour the interest of another customer or group of customers/clients over the interest of the customer/client;
- carries on the same business as the customer(s)/client(s);
- receives or will receive from a person other than a customer/client an inducement in relation to a service provided to the customer/client, in the form of monies, goods for services, other than the standard commission or fee for that service; or

- is substantially involved in the management or development of policies and/or investment products, in particular where such a person has an influence on the pricing of those policies and/or products or their distribution costs.

The Code of Conduct addresses the subject of Conflicts of Interest and Outside Business Interests within the Steadfast Integrity chapter. It lists some of the situations that could give rise to a Conflict of Interest, or to the appearance of a Conflict of Interest and states that this may be harmful to the Company. It also makes reference to more information within the Conflicts of Interest and Corporate Opportunities Guidelines.



**CLUK will take all reasonable steps to prevent Conflicts of Interest from constituting or giving rise to a material risk of damage to the interests of our customers and other stakeholders.**

It is intended that the management of Conflicts of Interest within CLUK ensures that appropriate attention is given to the protection of customers/clients. Overall, CLUK mitigates its exposure to Conflicts of Interest risks through effective organisational arrangements and well-developed procedures and processes to identify, document and address any Conflicts of Interest.

### This includes:

- Formally documented gifts and hospitality arrangements which clearly explains under which conditions gifts and hospitality, or other minor non monetary benefits, may be accepted or provided and the steps required when accepting and/or providing these.

# 1. Introduction

- Local Conflict of Interest Registers, maintained by Business Units and Shared Service Functions, which identify the circumstances for services and activities provided by CLUK which constitute or may give rise to a conflict of interest and the measures in place to manage such conflicts;
- A central Conflicts of Interest Register, maintained by Corporate Compliance, to record any outside businesses interests and/or staff relationships which constitute or may give rise to a conflict of interest. These are assessed by line management, People Experience (PX) and Corporate Compliance to confirm whether these are acceptable and can be managed within appetite or need to be avoided.

## 1.2 Purpose

The CLUK Conflicts of Interest Operating Policy sets out the framework and key requirements to ensure that risks associated with Conflicts of Interest are identified and mitigated in order to meet legal and regulatory requirements and the expectations of CLUK customers/clients, its governing board, parent company, shareholders, business partners and employees.

## 1.3 Application Scope

This policy applies to all CLUK directors, officers and staff irrespective of their location, function, grade or standing. The content of this policy would also be relevant when some (or all) of the underlying activities are provided by relevant third parties.

In line with the Chief Risk Officer Mandate and the roles and responsibilities of the Risk Function, this policy does not apply to Irish Life Group.

## 1.4 Associated Policies and Standards

Application of this policy is informed by CLUK's compliance with the following policies and standards:

- CLG Operational Risk Management Policy (“Umbrella Policy”);
- CLL, CLAM and CLP Investment Operating Policies;
- CLAM Order Execution Policy;
- CLAM Order Allocation Standard;
- CLUK Outsourcing and Supplier Risk Operating Policy;
- CLUK Financial Crime Operating Policy;
- CLUK Raising a Concern Operating Policy;
- CLUK Conduct Risk Operating Policy;
- CLUK Fit and Proper Operating Policy;
- CLUK Remuneration Operating Policy;
- CLUK Remuneration Standard;
- CLUK Personal Account Dealing Standard;
- CLUK Gifts and Hospitality Standard;
- CLL Investment Standard;
- CLUK Conduct Risk Standard;
- CLUK Fit and Proper Standard; and
- CLUK Raising a Concern Standard.



**Oversight of policy compliance and attestation is the responsibility of the relevant Policy Owner as set out in the CLUK Policy Framework, owned by the Chief Risk Officer.**



## **2. Risks Management in CLUK**



## 2. Risks Management in CLUK

CLUK operates an enterprise risk management (ERM) framework to identify, measure, manage, monitor and report risks which might impact on the execution of its business plans and the ultimate achievement of its strategic objectives.

As part of that, a suite of Board-approved policies set out at a high-level the expectations of the CLUK Boards on how to manage risks in line with its business strategy. This is one of those policies.

CLUK is part of the GWL Group. This policy is consistent with the Group requirements for risk management and the requirements of CLUK's parent company, The Canada Life Group UK Ltd (CLG), and in particular CLG's Operational Risk Policy and the GWL Code of Business Conduct and Ethics.

### 2.1. Main Risks Covered

The Boards of each CLUK company have approved a Risk Universe which sets out the range of risks to which their business is exposed and their definitions.

The main risks covered by this policy are part of the Level 1 Operational Risk and Conduct Risk categories in CLUK's Risk Universe.

**Operational Risk** is defined as *'The potential loss of earnings or capital arising from inadequate or failed internal processes, people and systems or from external events.'*

**Conduct Risk** is defined as *'The risk of unfair outcomes for customers, from inadequate or failed processes or inappropriate behaviours, offerings or interactions by CLUK, its employees or its Agents.'*

Conflict of Interest-related risks are also an explicit consideration in respect of a number of Level 2 operational risks and they are:

- Fraud Risk ;
- Legal and Regulatory Risk;
- Outsourcing Risk; and
- People Risk.

Please refer to the Risk Universe for the definition of these risks.

### 2.2. Emerging Risks

This policy is also intended to cover emerging risks arising from changes in regulatory, legal, economic, or social environment, where they relate directly to the risks set out in Section 2.1. This is explicitly covered as part of the Risk Universe.

CLUK has a structured process to manage the identification and response to emerging risks.

### 2.3. Principles for Risk Management

The overall approach for managing the risks relevant to this policy are those set out below which are aligned with the CLG Umbrella Operational Risk Policy<sup>1</sup> and comply with Principle 8 of the FCA's Principles for Business and related communications.

CLUK mitigates its exposure to Conflicts of Interest through the application of the following principles; they are referenced against each key requirement in Appendix 1:

- to support and promote the right staff behaviours and attitudes to facilitate a strong understanding of the importance of Conflicts of Interest;

<sup>1</sup> Section 4 of CLG Operational Risk Policy.

## 2. Risks Management in CLUK

- to identify and consider any Conflicts of Interest that may arise in the future or have already arisen as soon as practically possible;
- to manage Conflicts of Interest fairly and effectively, internally within CLUK and those impacting other stakeholders (e.g. customers/clients, shareholders, regulators or intermediaries);
- to avoid situations where personal interests could inappropriately influence, or appear to influence, a judgment; and
- to disclose the general nature and/or sources of any Conflicts of Interest that risks damaging the interests of customers before undertaking business for them.



**A Conflict of Interest may arise in business, where in the course of providing customers with a service or product, CLUK may benefit (or another customer for whom it is acting may benefit), whilst potentially materially damaging another customer's interests to whom we owe a duty of care.**

Disclosure of conflicts of interest to customers/clients is a measure of last resort, necessary only where the organisational and administrative arrangements established are not sufficient to ensure, with reasonable confidence, that the risks of damage to customers'/clients' interests will be prevented. Should such a situation arise, CLUK shall clearly disclose the following information, via a durable medium, to affected customers/clients before undertaking business on their behalf:

- specific description of the conflict(s) of interest;
- the general nature and/ or source(s) of such conflict of interest(s);
- details of the risks to the customer/client that arises as a result of the conflict(s); and
- a description of the steps undertaken to mitigate such risks.

The fact that the organisational and administrative arrangements in place to prevent or manage the conflict(s) are not sufficient to ensure protection of the customers'/clients' interests must be clearly set out in the disclosure. The details provided in the disclosure will be tailored according to the nature of the customer/client and sufficient to enable the customer/client to make an informed decision on whether to proceed with the service, in the context of which the conflict of interest arises. CLUK will review and amend as appropriate its organisational and/ or administrative arrangements if necessary to prevent or manage such conflicts of interest.



### 3. Overall Approach



## 3. Overall Approach

### 3.1. Risk Mitigation

Appendix 1 details the Key Requirements identified by the Policy Owner to manage CLUK's Conflicts of Interest exposures. These are broken down further within the Policy Owner Workbook where specific supporting controls and processes, and their owners, have been identified to provide assurance of policy compliance.

The table below presents CLUK's overall assessment of the risks to, or from, key stakeholders with respect to Conflicts of Interest, and the aggregated control environment in place to remediate these exposures.

Stakeholder	Key Risks Presented	Mitigation
<b>Customers</b>	<ul style="list-style-type: none"> <li>(1) CLUK's failure to identify and prevent or manage conflicts of interests results in customers or one group of customers receiving unfair treatment at the expense of a different group of customers/clients</li> </ul>	<ul style="list-style-type: none"> <li>Procedures and processes are in place to identify and to prevent or manage potential sources of Conflicts of Interest relating to the specificities of Business and Support Function activities and services.</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>(2) CLUK's failure to manage Conflicts of Interest results in regulatory censor and/or fines</li> </ul>	<ul style="list-style-type: none"> <li>Business and Shared Service Function Annual Attestation to the Conflicts of Interest Operating Policy</li> <li>2nd Line Compliance oversight of Conflicts of Interest requirements</li> <li>Processes in place to report / escalate non compliance with the Conflicts of Interest Policy and/or material conflicts of interest</li> </ul>
<b>Suppliers &amp; Outsourcers</b>	<ul style="list-style-type: none"> <li>(3) CLUK's failure to identify and prevent or manage conflicts of interests between CLUK and our Suppliers and Outsourcers results in detrimental outcomes for CLUK and/or its customers/clients</li> </ul>	<ul style="list-style-type: none"> <li>Procedures and processes are in place to ensure conflicts of interest are identified and prevented or managed when entering in to arrangements with Intermediaries, 3rd Party Suppliers and Critical Service providers as appropriate and these are reviewed on a regular basis.</li> </ul>
<b>Group (Canada)</b>	<ul style="list-style-type: none"> <li>(4) CLUK's failure to manage conflicts of interest results in regulatory breaches with potential reputational impact to CLG / GWL</li> </ul>	<ul style="list-style-type: none"> <li>See other mitigations</li> </ul>
<b>Staff</b>	<ul style="list-style-type: none"> <li>(5) Staff / NEDs failure to disclose conflicts of interest results in detrimental outcomes for CLUK and/or its customers/clients</li> <li>(6) Staff / NEDs are not aware of what a conflicts of interest is and the need to disclose it</li> </ul>	<ul style="list-style-type: none"> <li>Procedures and processes are in place to enable staff / Non Executive-Directors to disclose any Conflicts of Interest (e.g. outside business interests, cross-board memberships, 3rd party company relationships, staff relationships etc.)</li> <li>Mandatory training and awareness initiatives on Conflicts of Interest risk are undertaken by all relevant staff to a satisfactory level and within required timeframes.</li> </ul>

### 3. Overall Approach

The table (on Page 7) isn't intended to capture all the sources or causes of risk exposure, but to provide those reading this Policy with the core risks identified and the control environment in place to manage them. The Policy Owner Workbook breaks this down into more detailed control requirements and describes how compliance is assessed.

#### 3.2. Monitoring and Oversight

CLUK's Business and Shared Service Functions will establish processes to monitor Conflicts of Interest risk in line with the requirements of this policy and CLUK Boards' Risk Preferences.

CLUK's commitments to oversight of Conflict of Interest-related risks include the following:

Governance body	Oversight activity
<b>Board / Board Risk Committee (All companies)</b>	Approve this policy.
<b>Board Audit Committee (All companies)</b>	Maintain oversight in relation to Conflicts of Interests between CLUK and its stakeholders.
<b>Executive Management Committee (CLL, CLP, CLAM &amp; Stonehaven)</b>	Establish corporate procedures, measures and documentation requirements for the division or line of business policies, including profitability objectives. Ensure that the Board Audit Committees are informed of all material matters affecting Conflict of Interest Policy.
<b>Executive Risk Management Committee (CLL)</b> <b>Executive Risk and Compliance Committee (Stonehaven)</b>	Review this policy appropriately and for consistency with other Risk Management policies (EMC for CLP and CLAM).



## **4. Business Implementation**



## 4. Business Implementation

This policy will need to be implemented and managed in line with the CLUK's Policy Framework. This section of the policy summarises key operational aspects of the Policy Framework.

### 4.1. Roles and Responsibilities

#### 4.1.1. Policy Owner

*The Policy Owner:*

- is accountable to the CLUK Boards for ensuring compliance with this policy across CLUK, including the delivery of required remediation;
- leads the annual review of the policy and supporting standards to ensure they remain aligned to parent company policies and fit for purpose for the CLUK business; and
- is ultimately responsible for the maintenance of the record of supporting evidence which underpins the annual review and attestation submitted to the CLUK Boards.

#### 4.1.2. Delegated Owner

The Delegated Owner works with the Policy Owner to assist with the delivery of their responsibilities. In particular the Delegated Owner is responsible for taking appropriate steps to ensure that all CLUK Business and Support Functions implement the policy and that it is complied with and evidenced.

#### 4.1.3. Business and Support Functions

Business and Support Functions are responsible to take appropriate steps to support the Policy Owner in implementing this policy in line with the Policy Framework.

#### 4.1.4. Risk Function

The Risk Function provides independent oversight of policy implementation through BAU oversight as set out in the Risk Function Operating Standard and through specific risk reviews and investigations.

### 4.2. Compliance with the Policy

#### 4.2.1. Standards and Guidelines

In order to ensure that the requirements of this policy are adequately implemented and adhered to, further guidance is available in:

- CLUK Remuneration Standard
- CLUK Gifts and Hospitality Standard;
- CLUK Conduct Risk Standard;
- CLUK Fit and Proper Standard;
- CLUK Personal Account Dealing Standard;
- CLAM Order Allocation Standard;
- CLL Investment Standard; and
- CLUK Raising a Concern Standard.

In addition the Policy Owner has provided the Business & Support functions with policy compliance deliverables as part of the attestation process.

#### 4.2.2. Materiality

The requirements set out in this policy should be implemented in a proportionate manner, taking into account the materiality and complexity of the underlying risk.

In cases where Business and Support Functions wish to exercise material discretion, it should be discussed and agreed with the Policy Owner and documented as part of the cycle of policy attestation set out in the Policy Framework.



## 4. Business Implementation

### 4.2.3. Attestation

The Policy Owner has outlined the deliverables expected from Business and Support Functions, to demonstrate compliance with the requirements of this policy, within the Policy Workbook. The Business and Support Functions should put in place mechanisms to meet these deliverables. The Policy Owner will lead the attestation of compliance with this policy and maintain an aggregate record of supporting evidence in the Policy Owner Workbook. Business and Support Functions will contribute to the process as appropriate.

### 4.2.4. Potential Non-compliance

In the case of potential incidents of non-compliance, the process set out in the CLUK Policy Framework should be followed. In particular, the Policy Owner and the Chief Risk Officer should be informed if there is a material incident and be provided with the relevant facts.



# Appendices



## Appendix 1: Policy Requirements

CLUK seeks to manage its exposures to the risks identified in Section 2 through activities (e.g. processes) which must take place in order to manage risk exposures in line with Risk Preferences and within CLUK companies's Risk Appetites.

The key requirements for Conflicts of Interest (COI) cover a range of activities which have been documented using CLUK's Risk Management Process; identification, monitoring, management and reporting. CLUK's high level mitigants are presented in section 3, which has been broken out into more detailed requirements in the table below.

Mechanisms must be in place within Business and Support Functions to demonstrate compliance with the relevant key requirements, identified in the table below, as part of the attestation process set out in the Policy Framework. The Policy Owner records and evidences this through the Policy Owner Workbook which specifies the activities or reporting required to demonstrate compliance, and who should be providing it.

As such, the table below only references those who are responsible or contribute, at a high level.

Ref	Key Requirements	Responsible	Contributes	Risk(s)*
<b>COI1</b>	<p>Procedures and processes are in place to identify and to prevent or manage potential or perceived sources of Conflicts of Interest relating to the specificities of Business and Support Function activities and services.</p> <p>These potential or perceived conflicts of interest and the mitigations in place to manage these should be recorded in a local register, which is maintained by the business and support functions, and regularly reviewed to ensure they remain appropriate.</p>	<p><b>2nd Line Risk &amp; Compliance</b> Own the processes that enable conflicts of interest to be identified relative to business and support function activities and services.</p>	<p><b>1st, 2nd and 3rd Line Management.</b> Implement and carry out the processes to identify and record conflicts of interest relative to business and support function activities and services.</p>	<p><b>(1)</b> <b>(2)</b> <b>(4)</b></p>
<b>COI2</b>	<p>Procedures and processes are in place to enable staff / Non Executive-Directors to disclose any Conflicts of Interest (e.g. outside business interests, cross-board memberships, 3rd party company relationships, staff relationships etc.)</p> <p>Any declared staff Conflicts of Interest must be:</p> <ul style="list-style-type: none"> <li>assessed to confirm whether it is acceptable and can be managed within appetite or whether it is not acceptable and must be avoided. Acceptable staff conflicts of interest must be approved by the line manager, PX and Compliance.</li> <li>recorded in a central register, which is maintained by the Compliance Team, detailing the persons involved and the mitigating actions taken, and reviewed regularly by business management to ensure it is accurate.</li> </ul> <p>When staff members are moving roles internally details of any staff declared conflicts of interest must be provided to the new line manager and a new assessment made and evidenced.</p>	<p><b>People Experience</b> Own the processes that enable staff to disclose Conflicts of Interest on joining, internal moves and at any point in their employment.</p> <p>Notification of staff conflicts of interest to new line managers</p> <p><b>Company Secretary</b> Own the processes to enable NEDs to disclose Conflicts of Interest</p>	<p><b>All Staff and NEDs</b> Disclose conflicts of interest using the agreed processes</p> <p><b>Compliance / Company Secretary</b> Record and maintain record of Staff / NED conflicts of Interest</p>	<p><b>(1)</b> <b>(5)</b></p>

## Appendix 1: Policy Requirements

Ref	Key Requirements	Responsible	Contributes	Risk(s)*
<b>CO13</b>	Procedures and processes are in place to enable staff who reasonably suspects that a co-worker or contractor is in breach of this Conflict of Interest Operating Policy, to report it as soon as possible and in the strictest of confidence, as per the Raising a Concern Operating Policy.	<b>People Experience</b> Own the processes that enable staff to report a breach of the Conflict of Interest Policy.	<b>All Staff</b> Carrying out the processes to report a breach of the Conflict of Interest Policy.	<b>(1)</b> <b>(2)</b>
<b>CO14</b>	Processes for identifying and managing any conflicts of interest arising from investments, whether or not they arise in the company or the entity which manages the asset portfolio, must be referenced in the Investment Operating Policy.  This includes ensuring that the entity which manages the asset portfolio is making investments in the best interest of policy holders and its beneficiaries.  Additionally actions taken to manage such conflicts must also be documented.	<b>Investment Operating Policy Owner</b> Documenting the processes for identifying and managing conflicts of interest arising from investments including the actions taken to manage such conflicts and referencing these in the Investment Operating Policy	<b>1st Line Investment Managers</b> Carrying out the processes for identifying and managing conflicts of interest arising from investments including the actions taken to manage such conflicts	<b>(1)</b> <b>(2)</b> <b>(4)</b>
<b>CO15</b>	Procedures and processes are in place to mitigate the risk of conflicts of interest within the key control functions (i.e. Risk, Compliance, Actuarial and Internal Audit).  Specifically the Internal Audit Function should ensure that internally recruited auditors do not audit activities or functions they previously performed during the timeframe covered by the audit.  Similarly the Compliance Function should ensure that internally recruited compliance monitoring staff do not complete reviews of activities or functions they previously performed during the timeframe covered by the review.	<b>Key Function Holders</b> Own the processes for mitigating conflicts of interest within the respective key functions	<b>Key Function Staff</b> Carrying out the processes to mitigate conflicts of interest within the respective key functions	<b>(1)</b> <b>(2)</b> <b>(4)</b>
<b>CO16</b>	There are processes in place to ensure remuneration/bonus programmes and sales incentive schemes include measures aimed at avoiding Conflicts of Interests.	<b>Chief People Officer</b> Own the processes for ensuring conflicts of interest in remuneration / bonus programmes are avoided  <b>1st Line Management</b> Own the processes for ensuring conflicts of interest in sales incentive schemes are avoided	<b>1st, 2nd and 3rd Line Management.</b>  <b>Chief People Officer</b> Carrying out the processes for ensuring conflicts of interest in remuneration / bonus programmes and sales incentive schemes are avoided	<b>(1)</b> <b>(2)</b> <b>(3)</b> <b>(4)</b>

## Appendix 1: Policy Requirements

Ref	Key Requirements	Responsible	Contributes	Risk(s)*
<b>CO17(a)</b>	<p><b>Note: CLL Only</b></p> <p>Arrangements are in place to ensure staff subject to Solvency II Remuneration requirements (i.e. ‘the administrative, management or supervisory body, persons who effectively run the undertaking or have other key functions and other categories of staff whose professional activities have a material impact on the undertaking’s risk profile’) do not use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.</p> <p>The circumstances in which a person will be using a personal hedging strategy include (and are not limited to) entering into an arrangement with a third party under which the third party will make payments, directly or indirectly, to that person that are linked to or commensurate with the amounts by which the person’s remuneration is subject to reductions.</p>	<p><b>Chief People Officer</b> Own the processes to ensure staff subject to Solvency II Remuneration requirements do not use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.</p>	<p><b>Staff subject to Solvency II Remuneration requirements</b> Do not use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.</p>	<p><b>(1)</b> <b>(2)</b> <b>(4)</b> <b>(5)</b> <b>(6)</b></p>
<b>CO17(b)</b>	<p><b>Note: CLAM only</b></p> <p>Arrangements are in place to ensure staff subject to BIPRU Remuneration Code requirements;</p> <p>(i) undertake not to use personal hedging strategies or remuneration or liability-related contracts of insurance to undermine the risk-alignment effects embedded in their remuneration arrangements; and</p> <p>(ii) comply with their undertaking.</p> <p>Circumstances in which a person will be using a personal hedging strategy include entering into an arrangement with a third party under which the third party will make payments, directly or indirectly, to that person linked to, or commensurate with, the amounts by which the person’s remuneration is subject to reductions.</p>	<p><b>Chief People Officer</b> Own the processes to ensure staff subject to the FCA Remuneration Code (19c) undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.</p>	<p><b>All staff subject to the FCA Remuneration Code (19c)</b> Do not use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.</p>	<p><b>(1)</b> <b>(2)</b> <b>(4)</b> <b>(5)</b> <b>(6)</b></p>



## Appendix 1: Policy Requirements

Ref	Key Requirements	Responsible	Contributes	Risk(s)*
<b>CO17(c)</b>	<p><b>Note: CLP only</b></p> <p>Arrangements are in place to ensure staff subject to IFPRU Remuneration Code requirements;</p> <p>(i) undertake not to use personal hedging strategies or remuneration- or liability-related contracts of insurance to undermine the risk alignment effects embedded in their remuneration arrangements.</p> <p>(ii) comply with their undertaking.</p>	<p><b>Chief People Officer</b></p> <p>Own the processes to ensure staff subject to the FCA Remuneration Code (19a) undertake not to use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.</p>	<p><b>All staff subject to the FCA Remuneration Code (19a)</b></p> <p>Do not use personal hedging strategies or remuneration and liability-related insurance to undermine the risk alignment effects embedded in their remuneration arrangements.</p>	<p><b>(1)</b></p> <p><b>(2)</b></p> <p><b>(4)</b></p> <p><b>(5)</b></p> <p><b>(6)</b></p>
<b>CO18</b>	<p>Procedures and processes are in place to enable relevant CLUK staff to disclose any personal account dealings relevant to CLUK.</p>	<p><b>Managing Director and Chief Investment Officer</b></p> <p>Own the processes to enable relevant CLUK staff to disclose any personal account dealings</p>	<p><b>CLUK Staff subject to personal account dealing</b></p> <p>Disclose any personal account dealings</p>	<p><b>(1)</b></p> <p><b>(2)</b></p> <p><b>(4)</b></p> <p><b>(5)</b></p> <p><b>(6)</b></p>
<b>CO19</b>	<p>Procedures and processes are in place to ensure conflicts of interest are identified and prevented or managed when entering in to arrangements with Intermediaries, 3rd Party Suppliers and Critical Service providers as appropriate and these are reviewed on a regular basis.</p>	<p><b>1st Line Management.</b></p> <p>Own the framework and processes that enables conflicts of interest to be identified and prevented or managed when entering in to arrangements with Intermediaries</p> <p><b>Outsourcing and Supplier Risk Operating Policy Owner</b></p> <p>Own the framework and processes that enables conflicts of interest to be identified and prevented or managed when entering in to arrangements with 3rd Party Suppliers and Critical Service</p>	<p><b>1st Line Staff</b></p> <p>Carry out the processes to ensure conflicts of interest are identified and prevented or managed when entering in to arrangements with Intermediaries</p> <p><b>Contract Owners</b></p> <p>Carry out the processes ensure conflicts of interest are identified and prevented or managed when entering in to arrangements with 3rd Party Suppliers and Critical Service</p>	<p><b>(3)</b></p> <p><b>(4)</b></p>

## Appendix 1: Policy Requirements

Ref	Key Requirements	Responsible	Contributes	Risk(s)*
<b>COI10</b>	Procedures and processes are in place to report material Conflicts of Interest in respect of a service or activity that have arisen or may arise to the Board on a frequent basis and at least annually.	<b>2nd Line Compliance</b> Own processes that enables conflicts of interest in respect of a service or activity that have arisen or may arise to be reported to the Board on a frequent basis and at least annually.	<b>1st, 2nd and 3rd Line Management.</b> Carry out processes to report conflicts of interest in respect of a service or activity that have arisen or may arise to the Board on a frequent basis and at least annually.	<b>(1)</b> <b>(2)</b> <b>(3)</b> <b>(4)</b> <b>(5)</b>
<b>COI11</b>	Mandatory training and awareness initiatives on Conflicts of Interest risk are undertaken by all relevant staff to a satisfactory level and within required timeframes.	<b>2nd Line Compliance</b> Own and maintain annual conflicts of interest training for staff	<b>All Staff</b> Complete annual conflicts of interest training	<b>(6)</b>
<b>COI12</b>	Conflicts of Interest amongst Board and Committee members should be declared in advance of meetings and recorded in the minutes of the meetings.	<b>Company Secretary</b> Own the process that enables conflict of interest amongst Board and Committee members to be declared in advance of meetings and recorded in the minutes of the meetings.	<b>Company Secretary</b> Ensure conflict of interest amongst Board and Committee members is declared in advance of meetings and recorded in the minutes of the meetings.	<b>(1)</b> <b>(2)</b> <b>(4)</b> <b>(5)</b> <b>(6)</b>

(\*Please see section 3 for the risks referenced)

Role	Definition
<b>Responsible</b>	Responsible for, and owns, the key mechanism, process or control that manages the requirement.
<b>Contribute</b>	Contributes to the operation of the key mechanism, process or control that manages the requirement.

## Appendix 2: UK Regulatory Requirements

This policy is designed to meet the following regulatory requirements applicable to insurance entities in the UK:

Source	Article / Guidance	Entities Covered	Subject covered
<b>Solvency II Directive Level 1</b>	41 and 132	CLL	System of Governance, ensuring that the entity which manages the asset portfolio are making investments in the best interest of policy holders.
<b>Solvency II Delegated Regulation Level 2 (EU) 2015/35</b>	258, 259 and 275	CLL	General Governance requirements, Risk Management requirements and Remuneration requirements.
<b>EIOPA Guidelines on System of Governance – EIOPA_BoS_14/253</b>	7, 10, 18, 31, 41 and 46	CLL	Policies, Remuneration Committee, Risk Management Policy, Conflicts of Interest relating to Investments, Conflicts of Interest within the Internal Audit Function, Conflicts of Interest within the Actuarial Function,
<b>Insurance Distribution Directive (Directive EU 2016/97)</b>	Article 28 of IDD Delegated Regulation 2017/2359 Chapter 2 Insurance based investment products.	CLL	Conflicts of Interest policy and record keeping requirements.
<b>Markets in Financial Instruments Directive II (MiFID II) (Directive 2014/65/EU)</b>	Articles 16 & 23 MiFID Articles 34 and 45 of MiFID	CLAM	Conflicts of interest policy and record keeping requirement.
<b>FCA Handbook – Principles for Businesses</b>	8	ALL	Managing Conflicts of interest fairly, between a firm itself and its customers and between a customer and another client.
<b>FCA Handbook – Senior Management Arrangements, Systems and Controls (SYSC)</b>	3.3	CLL	Additional Conflict of Interest requirements for Insurance Distribution.
<b>FCA Handbook – Senior Management Arrangements, Systems and Controls (SYSC)</b>	10 (as appropriate)	ALL	Conflicts of Interest requirements.

## Appendix 2: UK Regulatory Requirements

Source	Article / Guidance	Entities Covered	Subject covered
<b>FCA Handbook – Senior Management Arrangements, Systems and Controls (SYSC)</b>	19c	CLAM	Remuneration Code requirements for BIPRU firms.
<b>FCA Handbook – Senior Management Arrangements, Systems and Controls (SYSC)</b>	19a	MGMA	Remuneration Code requirements for IFPRU firms.
<b>FCA Handbook – Conduct of Business Sourcebook (COBS)</b>	2.1	CLL, CLP, CLAM	Acting honestly, fairly and professionally (Clients Best Interest rule).
<b>FCA Handbook – Conduct of Business Sourcebook (COBS)</b>	2.3	CLL	Inducements relating to business other than MiFID, equivalent third country or optional exemption business and insurance-based investment products.
<b>FCA Handbook – Conduct of Business Sourcebook (COBS)</b>	2.3A	CLAM, CLL, CLP	Inducements relating to MiFID, equivalent third country or optional exemption business and insurance-based investment products.
<b>FCA Handbook – Insurance Conduct of Business Sourcebook (ICOBS)</b>	2.3	CLL	Inducements.
<b>FCA Handbook – Mortgage Conduct of Business Sourcebook (MCOB)</b>	2.3	Stonehaven	Inducements: regulated mortgage contracts, home reversion plans and regulated sale and rent back agreements.
<b>FCA Handbook – Mortgages and Home Finance Conduct of Business Sourcebook (MCOB)</b>	2.5A	Stonehaven	The customer's best interests.

## Appendix 3: Policy Attestation – Process & Components

In order to get assurance that the requirements in this policy are being adhered to, I have sought advice and guidance from the Risk Team, based on their observations and an Internal Audit Review. Key to the implementation of this revised approach is ensuring that those attesting to the Policy are fully aware of the nature and timing of their required contribution to my assessment.

The key components are summarised in the table below:

Document	Purpose	Core Components	Expected Outcomes
<b>Policy</b>	Overview and principles for the management of Conflicts of Interest in CLUK	<ul style="list-style-type: none"> <li>• Policy alignment with Risk Appetite &amp; Strategy</li> <li>• Key risk exposures to Conflicts of Interest and aggregate mitigants in place</li> </ul>	<ul style="list-style-type: none"> <li>• Can be read &amp; understood by all staff</li> <li>• Key exposures, high level controls and responsibilities are clearly outlined</li> </ul>
<b>Policy Owner Workbook</b>	Provides for the analysis and evidencing of CLUK's compliance with the requirements for managing Conflicts of Interest	<ul style="list-style-type: none"> <li>• Timetable for expected inputs</li> <li>• Summary requirements broken down to specific deliverables from specific areas / individuals</li> <li>• Issues / Actions recorded</li> <li>• Overall assessment of policy compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Mapping of high level requirements to more detailed attestation requirements</li> <li>• Utilisation of current processes / documentation in the assessment criteria where possible</li> <li>• Clarity over who provides what &amp; when</li> <li>• Records challenge provided to business units</li> <li>• Available alongside the Policy to all staff</li> </ul>
<b>Business Unit Workbook</b>	Provides for each business unit's assessment of their compliance with applicable requirements of the policy	<ul style="list-style-type: none"> <li>• Requirements aligned to each business units' contribution to the management of Conflicts of Interest</li> <li>• Attestation inputs needed are clear and agreed with each business unit</li> </ul>	<ul style="list-style-type: none"> <li>• Clarity over attestation requirements</li> <li>• Input from the business with respect to the viability and relevance of data</li> <li>• Removal of current duplication and/or requests to areas which do not contribute</li> </ul>





Canada Life Limited, registered in England no. 973271. Registered office: Canada Life Place, Potters Bar, Hertfordshire EN6 5BA.  
Telephone: 0345 6060708 Fax: 01707 646088 [www.canadalife.co.uk](http://www.canadalife.co.uk) Member of the Association of British Insurers.  
Canada Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Canada Life International Limited, registered in the Isle of Man no. 033178C. Registered office: Canada Life House, Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ.  
Telephone: +44 (0) 1624 820200 Fax: +44 (0) 1624 820201 [www.canadalifeint.com](http://www.canadalifeint.com) Member of the Association of International Life Offices.  
Canada Life International Limited is an Isle of Man registered company authorised and regulated by the Isle of Man Financial Services Authority.

CLI Institutional Limited, registered in the Isle of Man no. 108017C. Registered office: Canada Life House, Isle of Man Business Park, Douglas, Isle of Man IM2 2QJ.  
Telephone: +44 (0) 1624 820200 Fax: +44 (0) 1624 820201 Member of the Association of International Life Offices.  
CLI Institutional Limited is an Isle of Man registered company authorised and regulated by the Isle of Man Financial Services Authority.

Canada Life International Assurance (Ireland) DAC, registered in Ireland no. 440141. Registered office: Irish Life Centre, Lower Abbey Street, Dublin 1, Ireland  
Telephone: +44 (0) 1624 820200 Fax: +44 (0) 1624 820201 [www.canadalifeinternational.ie](http://www.canadalifeinternational.ie) Member of the Association of International Life Offices.  
Canada Life International Assurance (Ireland) DAC is authorised and regulated by the Central Bank of Ireland. Category A Insurance Permit holder with the Jersey Financial Services Commission.

Canada Life Asset Management is the brand for investment management activities undertaken by Canada Life Asset Management Limited, Canada Life Limited and Canada Life European Real Estate Limited. Canada Life Asset Management Limited (no. 03846821), Canada Life Limited (no.00973271) and Canada Life European Real Estate Limited (no. 03846823) are all registered in England and the registered office for all three entities is Canada Life Place, Potters Bar, Hertfordshire EN6 5BA.  
Canada Life Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Canada Life Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Stonehaven UK Limited, trading as Canada Life, is a subsidiary of The Canada Life Group (U.K.) Limited. Authorised and regulated by the Financial Conduct Authority.