Summary of Conflicts of Interest Policy.
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We have set a policy on the management of conflicts of interest with the objective of taking all reasonable steps to identify and manage conflicts that may arise, which might result in a material risk to the interests of our clients.

Our approach has been to identify those aspects of our service, including how we interact with other Lloyds Banking Group companies and third party suppliers, which could result in a conflict between your and our interests, or between the interests of different clients.

This leaflet is a summary of those types of conflicts and the way we manage them. In all cases we believe that our current organisational arrangements, systems and controls provide an effective way of preventing your interests being unfairly affected.

Decision criteria for dealing

We have in place an Aggregation and Allocation Policy, which sets out the criteria by which aggregated client orders are managed and promptly allocated to individual client accounts.

In addition, all client orders are dealt with in a timely manner and in fair and due turn. No unfair priority is given to orders from other clients, colleagues or from other parts of the Lloyds Banking Group.

Confidentiality and protection of inside information

We operate information barriers which limit the flow of potentially price sensitive information between colleagues and different areas of the Lloyds Banking Group. Our internal dealing rules prevent colleagues in possession of price sensitive information from taking advantage of that information by dealing in the respective security, or arranging for someone else to do so on their behalf.

There is the potential for conflicts of interest to exist when people who are employed by us trade Lloyds Banking Group shares. We therefore have arrangements in place (sometimes referred to as Chinese Walls) that restrict the flow of information between people who may hold potentially price sensitive information and the people who can trade Lloyds Banking Group shares. We also have strict procedures in place for those people who may be aware of potentially price sensitive information from trading Lloyds Banking Group shares themselves.
Organisational arrangements

The organisational structure we have implemented provides for the segregation of duties and so prevents conflict arising through inappropriately apportioned roles and responsibilities by ensuring that no one individual can exercise inappropriate influence over a particular process.

Though we are part of the Lloyds Banking Group, we do not receive any details of commercial arrangements entered into by other parts of the Lloyds Banking Group, for example, loans, financing, acquisition or merger activities extended to individuals, partnerships or companies. We always look to act in the best interests of our customers and have controls in place to ensure we manage any conflicts that may arise from any arrangements once entered into by Lloyds Banking Group.

Our management team operates independently from other Lloyds Banking Group companies and there are appropriate controls on cross-board membership. If we were to acquire information that gave rise to a conflict of interest in a Lloyds Banking Group context, we would take steps to manage that conflict.

The dealing arrangements for personnel of key service providers can be relevant to our conflict management responsibilities. Potential conflicts are controlled in these circumstances through the use of contractual provisions together with regular monitoring of the dealing arrangements of the staff of these providers.
**Personal conflicts**

Contracts of employment prevent colleagues from accepting roles or directorships with companies outside the Lloyds Banking Group, including those with whom we have commercial relationships, unless prior approval has been received from the divisional CEO.

We are mindful that a conflict may arise should colleagues have other business interests which involve clients who are also Lloyds Banking Group clients, or which conflict with their duties to Bank of Scotland Share Dealing or Lloyds Banking Group.

Potential conflict may in theory also arise where our colleagues have friends and relatives who are clients of Bank of Scotland Share Dealing. To overcome this type of potential conflict we have specific internal controls and dealing arrangements which also comply with FCA rules.

We do not display preference to any client, group of clients or clients who are also colleagues, over another in the provision of our dealing and safe custody services.

In addition to the above, colleague bonus and remuneration arrangements are carefully considered to ensure that conflicts do not inadvertently arise through inappropriately set targets. Furthermore, an internal Whistleblowing Policy is in operation which affords colleagues a high level of protection should they report any wrongdoing by others.
Selection of suppliers

We prevent conflicts arising regarding the selection of suppliers by refusing to accept or provide fees, commissions and non-monetary benefits which do not directly enhance the service offered.

Any personal relationships are disregarded in the selection of service providers, agents, third party suppliers, distributors and equity partners to prevent inappropriate selection.

Commission and income disclosure

We earn income from:

- commissions and/or fees we charge to you;
- interest we earn on monies held pending investment or in the course of settlement;
- income earnings derived from foreign exchange trading; and
- in some cases annual commissions from product providers. Whilst we will not, ordinarily, receive an annual commission from holdings in collective investments, such as unit trusts or Open-Ended Investment Companies (OEICs), or through initial commission when you purchase them, we may do in some circumstances.

You should refer to the relevant Key Investor Information Document for charges related to a fund.
The charges that we make and the interest rates that we pay on balances held are detailed in our brochure and our website.

In some cases, dealing charges which we apply to our trades may be shared with other members of the Lloyds Banking Group or other third parties.

We will not show details of any remuneration or sharing arrangements of this kind on your contact note but, if you ask us to, we will make them available to you. In any case you will not be liable to pay more commission than is disclosed in our brochure.

We acknowledge that gifts and entertainment arrangements common in the stockbroking industry, may give rise to adverse influence. We address this by limiting the receipt of gifts/entertainment to that of a non-material nature.

**Summary**

The above summary reflects our detailed Conflicts of Interest Policy that is in place to ensure fair treatment for our clients through the effective management of potential conflicts. We are not aware of any further material conflicts of interest. A full copy of the Conflicts of Interest Policy is available on request.
Notes.
Our promise.

Our promise is to do our best to resolve any problems you have. If you wish to complain visit your local branch or call 0345 606 1188. (Textphone 0345 604 2543, if you have a hearing impairment). For more information visit bankofscotland.co.uk/contactus/complain

If you’d like this in another format such as large print, Braille or audio please ask in branch.

If you have a hearing or speech impairment you can contact us using Text Relay or Textphone on 0345 604 2543 (lines are open seven days a week, 8am to 6pm). If you’re Deaf you can use BSL and the SignVideo service available at bankofscotland.co.uk/accessibility/signvideo

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25 The North Colonnade, Canary Wharf, London E14 5HS under Registration number 183332.
A Member of the London Stock Exchange and an HM Revenue & Customs Approved ISA Manager.

Calls may be monitored or recorded in case we need to check we have carried out your instructions correctly and to help improve our quality of service.

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