



POLICY FRAMEWORK- CONFLICTS OF INTEREST

Resilience Asset Management Conflict of Interest Policy

Date: March 2024

1. Introduction

In the realm of financial services, the existence of actual or potential conflicts of interest is a given. Recognizing and adeptly handling these conflicts is critical for the Group to maintain fairness and integrity. The perception of bias alone can tarnish our reputation in the industry. According to the General Code of Conduct under the Financial Advisory and Intermediary Services Act (FAIS), it's mandatory for every Financial Services Provider (FSP) to establish a comprehensive conflict of interest management policy.

2. Objective

This document aims to outline the framework for identifying conflicts of interest and stipulates strategies for their avoidance, revelation, or mitigation.

3. Applicability

This policy is applicable to all employees, consultants, vendors, contractors, agents, and any other individuals or entities in a business relationship with the Group. It governs interactions within the Resilience Asset Management Group and between employees and external parties such as clients, suppliers, and service providers.

4. Governance

The Audit & Risk Committee oversees the approval and review of this policy before recommending it for the Resilience Asset Management Board's endorsement.

5. Definitions

- **Associate:** Pertains to both natural and juristic persons
 - including those connected by familial, legal, or commercial relationships, and covers entities like subsidiaries, holding companies, and business partners in relation to both individuals and companies.
 - **Distribution Channel:** Involves any arrangement between product suppliers and financial service providers (FSPs) or their associates, facilitating the provision of



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financial services to clients, as well as agreements among FSPs or product suppliers to enhance mutual business relations.

- **Employees:** Refers to all individuals employed by Resilience Asset Management, whether on a permanent or temporary basis, including directors, managers, and officers.
- **Financial Interest:** Encompasses any form of benefit, such as cash, gifts, services, travel, accommodations, or any other incentive that might influence the actions of financial service providers, excluding ownership interests and specialized training.
- **Ownership Interest:** Defined as any equity or proprietary interest acquired at fair value, along with any derived benefits like dividends or profit shares, except when held on behalf of others as an approved nominee.
- **Resilience Asset Management (RAM):** Refers to the entirety of the Resilience Asset Management Group.
- **The Board:** The Board of Directors governing Resilience Asset Management.
- **Third Party:** Encompasses product suppliers, other FSPs, their associates, Distribution Channels, or any entity that provides financial interests to an FSP or its representatives under an agreement.

6. Identification of Conflicts

Employees must actively identify potential or actual conflicts of interest. Managers have a specific duty to recognize these conflicts within their teams. The determination of a conflict considers whether it benefits the Group or an employee at the client's expense, influences outcomes unduly, favors one client over another, or involves undisclosed inducements from outside parties.

7. Customer Fairness

Adhering to the principles of Treating Customers Fairly (TCF) and the Code, employees must prioritize the interests of clients, ensuring services are unbiased and equitable.

8. Conflict Disclosure

Employees are obliged to declare any relationships or interests, including those with Third Parties, which may conflict with their duties or compromise their integrity. Group Compliance will assess and advise on the handling of these declarations, potentially involving the Audit and Risk Committee for director-related conflicts.



9. Rules and Conduct

Specific guidelines are set regarding gifts, personal trading, employment relationships, and remuneration to prevent conflicts of interest. These include restrictions on accepting gifts that could improperly influence business decisions and mandates for transparency about external

engagements and financial interests that might affect one's duties within Resilience Asset Management.

10. Managing Conflicts

When conflicts cannot be avoided, they must be mitigated and disclosed to affected clients as soon as possible. Unavoidable conflicts require careful management, including potential disclosure, reassignment of duties, or refusal of service, to ensure fairness and compliance.

11. Disclosure Practices

Explicit notification to clients about conflicts of interest is required when avoidance is not feasible, detailing the conflict and measures taken to mitigate its effects.

12. Record-Keeping and Monitoring

A meticulous record of identified conflicts, actions taken, and disclosures made to clients must be maintained for at least five years. Group Compliance oversees regular monitoring and compliance with this policy.

13. Training and Compliance

Regular training sessions are conducted to familiarize employees with the policy and regulatory requirements. Non-compliance results in disciplinary action, in alignment with Resilience Asset Management's disciplinary and ethics policies.

14. Policy Review

This policy is subject to annual review by Group Compliance, with adjustments made in response to legislative changes or internal requirements, pending Audit and Risk Committee approval.

15. Training

Training is an essential component of our policy, ensuring that all employees are fully aware of their responsibilities under this policy and the broader regulatory framework governing conflicts of interest. Group Compliance will facilitate regular training sessions, reinforcing the importance of ethical conduct, transparency, and the procedures for identifying, disclosing, and managing conflicts of interest. These training programs will be updated as necessary to reflect changes in legislation, regulatory guidance, or internal policy adjustments.



16. Non-compliance

Adherence to this policy is mandatory for all employees. Any violations will be met with appropriate disciplinary measures as outlined in Resilience Asset Management's Disciplinary Policy, contained within the Code of Conduct and Ethics policy. Such measures are designed to uphold the integrity of our operations and ensure the continued trust of our clients. In cases involving Resilience Asset Management's representatives, actions will be in accordance with procedures under the FAIS Act, emphasizing our commitment to regulatory compliance and ethical business practices.

17. Review and Update

Group Compliance holds the responsibility for the ongoing review and update of this policy to ensure its effectiveness and alignment with current laws and industry best practices. The policy will undergo an annual review process or more frequently if significant legislative changes or internal developments occur. Any proposed amendments will be presented to the Audit and Risk Committee for approval, ensuring that our policy remains robust, relevant, and reflective of our commitment to managing conflicts of interest with the utmost integrity.

This policy is a living document, integral to our operations and fundamental in safeguarding the interests of our clients while maintaining the highest standards of professionalism and ethical conduct within Resilience Asset Management. It underscores our dedication to transparency, fairness, and the proactive management of conflicts of interest, thereby reinforcing our reputation as a trusted and principled financial services provider.

Note re crypto

To address potential conflicts of interest in the context of a Crypto Asset Service Provider (CASP), especially within the Public Disclosure Document, several additional elements can be included to ensure thoroughness and transparency. Here are key aspects that could be added or emphasized:

1. Detailed Disclosure of Crypto Asset Holdings

- **Transparency of Holdings:** Require CASPs to disclose their own holdings in crypto assets, including those of their key executives and decision-makers, to reveal any potential biases or conflicts of interest in their services.

2. Specifics on Personal Trading Policies

- **Personal Trading Restrictions:** Outline specific restrictions and reporting requirements for employees and management when trading crypto assets personally, to prevent conflicts between the CASP's interests and those of its clients.

3. Fee Structure and Remuneration



- **Clear Fee Structures:** Clearly articulate how the CASP charges fees for transactions, custody, and any other services offered. This includes revealing any internal remuneration policies that might incentivize favoring certain assets or transactions.

4. Third-Party Relationships and Payments

- **Disclosure of Third-Party Relationships:** Provide detailed disclosures about relationships with third parties, including any payments, fees, or benefits received from crypto projects or other service providers that could influence the CASP's recommendations or services.

5. Governance and Ethical Standards

- **Ethical Standards and Governance Frameworks:** Strengthen the section on governance to include specific ethical standards and decision-making frameworks designed to manage and mitigate conflicts of interest, especially those unique to the crypto industry.

6. Audit and Compliance

- **Independent Audits:** Mandate regular independent audits of the CASP's operations, focusing on compliance with its conflict of interest policy and the accuracy of its public disclosures.

7. Procedures for Handling Conflicts of Interest

- **Resolution Mechanisms:** Detail the procedures and mechanisms for resolving conflicts of interest when they arise, including escalation processes and how decisions are reviewed to ensure fairness and transparency.

8. Client Engagement and Feedback

- **Mechanisms for Client Feedback:** Introduce a system for clients to report perceived conflicts of interest directly to the CASP, including an anonymous reporting option, and describe how these concerns are addressed.

9. Review and Update Mechanisms

- **Policy Review Schedule:** Include a schedule for regular review and updating of the conflict of interest policy to adapt to the rapidly evolving crypto asset landscape, ensuring that the policy remains relevant and effective.

10. Public Disclosure Requirements

- **Enhanced Public Disclosure:** Require that all conflicts of interest policies and updates, as well as any relevant findings from audits or reviews, be disclosed to the public in a transparent and accessible manner.



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By incorporating these elements into the Conflict-of-Interest Policy, especially within the Public Disclosure Document for CASPs, stakeholders can be assured of the integrity and ethical conduct of the service provider. These measures not only help to protect clients and maintain trust but also contribute to the broader goal of fostering a transparent and responsible crypto asset industry.