

Conflict of Interest Policy and Procedure

1. Purpose

REM's Conflict of Interest policy and procedure is intended to protect the company, REM's clients, REM's staff and contractors from the risks of being seen, or appearing to be seen, to act unfairly or improperly due to connections or relationships or other similar factors, whether disclosed or not, otherwise known as conflicts of interest.

2. Parts A and B

Part A - Operational Guidelines

Part B - RICS Guidance - Client matters, Informed Consent, Anti Money Laundering and Record Keeping

REM is a firm regulated by the RICS in relation to its agency and property management business activities and REM's Conflict of Interest policy and procedure is in accordance with the RICS guidance.

Part A focuses on general policy and operational procedures. Part B summarises the RICS guidelines giving more details on client matters, informed consent and Conflict of Interest reporting as a trigger event for Anti Money Laundering procedures.

Part B must be read by commercial and residential Asset and Property Managers and the finance team including the estates team.

3. Summary Guidance

The summary guidance must be read by all REM employees and relevant contractors. The detailed guidance Parts A and B must be read by all employees and relevant contractors required to complete an annual declaration. Part B must be read by commercial and residential Asset and Property Managers and the finance team including the estates team.

4. Employee and Relevant Contractor

An employee is anyone directly contracted to work for REM as a member of staff whether permanently or for a specified period of over 3 months.

A relevant contractor is a person contracted directly as a sole trader or company or agency but substantially based in a REM building or office and working for REM or the companies managed by REM for more than the short term and representing REM to other parties. Temporary staff contracted via an agency are relevant contractors provided their contract period is for a term of more than 6 months. REM directors are expected to identify relevant contractors to the Head of Business Support. Either the relevant director or head of department must advise the contractor of the requirement to be aware of and to comply with REM's Conflict of Interest Policy and Procedures.

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G01.6	REM Conflict of Interest Policy and Procedure	HoBS	FD	10/06/2025	4	29/03/2026	29/03/2027	GE

5. Definition of Conflict of Interest

A Conflict of Interest arises where a current or past connection or relationship or other factor between persons affects or might seem to affect a decision, transaction, or business arrangement in such a way as to be or appear to be unfair or prejudicial or improper or corrupt to a reasonable and independent observer. Persons include individuals at or associated with REM- whether employees, related parties, contractors, or third parties – and organisations, companies, businesses, and partnerships.

6. Confidentiality

All reports of Conflicts of Interest are treated as confidential, whether the conflict is actual, potential, direct or indirect.

7. Form 1 - Reporting – Direct Conflicts of Interest

A direct Conflict of Interest is where the reporting person is involved. For example, during a competitive tender you become aware that one of the suppliers is represented by a friend or relative of yours. Conflicts of interest must be reported to your line manager and the Head of Business Support as soon as you become aware of the conflict of interest.

Reports should be made using Form 1 Reporting Conflicts of Interest, normally by email. If you do not have ready access to the form, you must make a written report by email or letter. Reports should include all known information including disclosures made to your line manager. If the conflict is deemed to be particularly sensitive it may be reported using Form 1 or as a written report either to the Head of Human Resources or Head of Security or to the CEO.

8. Form 1 - Reporting – Indirect Conflicts of Interest

An indirect Conflict of Interest is where the reporting person is not involved. For example, during a competitive tender you become aware that one of the suppliers is represented by a friend or relative of another member of the REM team. An employee or relevant contractor employed by REM who becomes aware of a potential Conflict of Interest, which they believe should be reported by another person, is required to report that potential Conflict of Interest using Form 1. In these circumstances the employee or contractor may first contact the Head of Business Support to determine if the matter has been previously reported and if a further report is required. Note the obligation to report applies even if the employee or contractor is not involved in the matter.

9. What Reporting Means

Reporting means that you are aware of a potential, actual or perceived Conflict of Interest. It does not mean that there is wrongdoing or that an offence has been committed. It means that there is a set of circumstances which require assessment and clearance or further action.

10. General Rules

An indirect Conflict of Interest is where the reporting person is not involved. For example, during a competitive tender you become aware that one of the suppliers is represented by a friend or relative of another member of the REM team. An employee or relevant contractor employed by REM who becomes aware of a potential Conflict of Interest, which they believe should be reported by another person, is required to report that potential Conflict of Interest using Form 1. In these circumstances the employee or contractor may first contact the Head of Business Support to determine if the matter has been previously reported and if a further report is required. Note the obligation to report applies even if the employee or contractor is not involved in the matter.

11. Form 2 – Annual Conflict of Interest Declaration

The following REM staff and relevant contractors must complete and sign an annual declaration in January of each year stating that they understand REM's policy and procedure for Conflict of Interest and will ensure that it is complied with:

- CEO
- Operational directors
- Heads of Department (including property General Managers)
- REM contractors deemed by the Head of Business Support as equivalent to Head of Department
- Asset Managers and Property Managers
- Finance Team Senior Managers as identified by the Head of Finance Department

The initial annual declaration will be made in early January 2027. Following the phased implementation of these revised rules on 1st April 2026 with Go Live on 5th May 2026 all staff and relevant contractors will be asked to make a one-time only declaration by mid-May 2026:

HR will liaise with Business Support to draw up an agreed list of persons required in each year to make an annual declaration.

The Annual Declaration exercise is to be overseen by the HR team, and the completed annual forms are to be checked, logged and held by the HR team. Failure to submit a form is a disciplinary breach for employees; failure to submit a form may lead to further action against relevant contractors.

12. Form 3 - New Employees – Conflict of Interest Declaration

After 3 months all new REM employees, whether permanent, term contract or temporary (if more than 3 months) must complete a Conflict of Interest Declaration Form 3 relating to REM as a business, as part of their induction, stating that they have read and understood the summary guidance and either indicating they are unaware of any Conflict of Interest or declaring any actual or potential Conflict of Interest of which they are aware.

The new employee declaration is to be overseen by the HR team and the completed forms are to be checked, logged and held by the HR team.

13. Form 4 - Transaction Reporting – Mandatory Reports

REM staff, or relevant contractors, overseeing certain transactions exceeding stated £ thresholds must complete Form 4 – Mandatory Transaction Report – Conflict of Interest, declaring that they are either unaware of any conflict of interest having made reasonable enquiries, in advance of any commitments being made, or need to make a notifiable declaration of a potential or actual conflict of interest.

In each case the responsibility for assessing whether a report is required and making a required report falls jointly to the Head of Department and the budget holder if different. Only one report is required for any one transaction. The determination as to who makes the report is with the Head of Department.

For projects undertaken in phases or over more than one budget year, only one conflict of interest report is required at the outset of the project unless there are material changes to the arrangements between phases or budget years. Common sense applies.

Thresholds tests are based on the total expected cost including any VAT, recoverable or not, as well as advisers, consultants, REM fees, and contingencies.

Where a transaction is close to a threshold a written calculation of the threshold test should be made and retained by the Budget holder for audit purposes.

Mandatory transaction reporting applies to:

- **Projects of any type not authorised via the Delegation of Authority Committee** where the aggregate cost including VAT exceeds £One Million / £1,000,000
- **Delegation of Authority projects (“DACs”)** where the aggregate cost including VAT exceeds £One million / £1,000,000
- **New or amended or extended contracts** where the aggregate future cost including VAT exceeds or is likely to exceed £One million / £1,000,000
- **Commercial tenants - leases / renewals / rent reviews / regearings** where the aggregate expected future or incremental rent to the expiry of the lease exceeds £Ten million £10,000,000
- **Commercial tenants – any other transactions** where the aggregate expected amount involved is more than £One million / £1,000,000
- **Consultancy engagements** where the cost including VAT exceeds or is likely to exceed £100,000
- **Employment recommendations** to HR or senior management where the new employee salary exceeds £100,000 pa.

The following are excluded from mandatory transactional reporting:

- Contracts with Utility companies
- Residential leases or tenancies
- Any of the mandatory reportable transactions falling below the specified thresholds

The completed Form 4 should be sent to the Head of Business Support. Business Support will cross check the completed form as properly completed and intelligible and will maintain a log of such completed forms.

14. Training

A Conflict of Interest course will be included as part of REM’s on-line training (including a course test that must be passed). The course will be taken every 2 years by all REM staff and normally within 3 months of starting by all new employees. Oversight of the course is by TBC.

15. Reported Conflicts of Interest

Where a Conflict of Interest has been reported it should be notified to the Head of Business Support either directly via Forms 1 (incident report) or 4 (transaction report) or via HR via Forms 3 (annual declaration) or 4 (new employee declaration). The exceptions are conflicts of interest where the reporting person, due to sensitivity, has reported directly to the Head of Human Resources or Head of Security or to the CEO.

The Head of Business Support will email the person making the report to confirm date of receipt.

16. Reporting exceptions for sensitivity

Where reports are made by exception directly to the Head of Human Resources or Head of Security or to the CEO, the matter will be dealt with by one of those parties standing in for the Head of Business Support (if the Head of HR or Security, the matter will be referred to the CEO for confirmation of approach).

17. Head of Business Support Assessment, Classification and Recommendation

The Head of Business Support will review the conflict report and seek further information if required to determine all relevant facts.

The Head of Business Support will classify reports as either “General Priority” or “High Priority”.

This classification will be based on an assessment of the seriousness and material impact of the reported conflict. General priority conflicts are deemed low to medium risk with ready mitigations and straightforward recommendations. High Priority conflicts are deemed high risk and / or complex and requiring further assessment.

18. Assessment timelines

Review, assessment and decision timelines will normally be expected to be determined:

- General Priority reports - within 10 working days of receipt of the report.
- High Priority reports - within 15 working days of receipt of the report.

19. General Priority Conflicts of Interest

The Head of Business Support will record the reported conflict of interest on the tracker log, assigning a reference, and make a recommendation as to any mitigating or other action required and in summary the basis of the recommendation. The recommendation will be passed to the Finance Director for endorsement.

Where endorsed, the Head of Business Support will:

- a) inform the relevant persons of the assessment, recommendation and actions
- b) oversee the implementation of the actions
- c) close the documentation

If not endorsed the matter will be referred to the CEO for a decision or further investigation and decision after which the Head of Business Support would undertake 19 a) to c).

20. High Priority Conflicts of Interest

The Head of Business Support will record the reported conflict of interest on the tracker log, assigning a reference, set out why the matter is deemed “High Priority” in relation to risk, make a recommendation as to any mitigating or other actions required and at a summary level outline the basis of the recommendation.

The recommendation will be passed to the CEO and Finance Director for consideration and endorsement. The CEO’s ruling is final, except in the CEO’s absence the FD’s ruling is final.

Where endorsed, the Head of Business Support will:

- a) inform the relevant persons of the assessment, recommendation and actions
- b) oversee the implementation of the actions
- c) close the documentation

If not endorsed the matter will be referred for further investigation and subsequent decision after which the Head of Business Support would undertake 20 a) to c) plus any further agreed actions.

21. Notifying Clients

In the case of General Priority conflicts the Head of Business Support and FD would decide jointly if the conflict should be reported to a client. Material or significant matters would be notified to the client via the Jersey Owners' representatives, Altum, including a description of the conflict and any likely impact; immaterial or insignificant matters where the impact is minimal would not normally be notified. Where notified the client or client representative would be asked to confirm informed consent as to the actions taken.

In the case of High Priority Conflicts the client would usually be notified by the CEO, FD or Head of Business Support via the Trustees in Jersey, Altum, including a description of the conflict and any likely impact. The client would be required either to confirm informed consent as to proposed actions or to agree alternative actions to be taken.

Part B - Additional RICS Guidance

22. The RICS standard

This guidance aligns with the Royal Institution of Chartered Surveyors (RICS) professional standards: RICS' professional standard 'Conflicts of interest - RICS professional standard, Global'.

The standard places a mandatory requirement on all members and regulated firms. The RICS professional standard defines certain terms and the meaning of these terms is retained in this guidance.

Reference to REM employees hereafter includes REM relevant contractors.

23. REM's General Principles for Conflicts of Interest and clarifications

- A Conflict of Interest arises where any relationship (personal or professional) or situation may limit, or appear to limit, an ability to make fair and objective decisions or act in the best interests of REM or REM's clients
- All of REM's employees are responsible for identifying and reporting Conflicts of Interests on an on-going basis
- A Conflict of Interest can be actual, where it has arisen, or perceived, in a situation that may give rise to the perception of a conflict, or potential, where a Conflict of Interest may arise given a particular fact or circumstance
- REM's employees will not supervise or influence the recruitment, promotion, reward or benefits of a family member or someone they are in a relationship with.
- REM's employees should be aware that even if an individual doesn't benefit, a Conflict of Interest can still occur if there is the appearance that their decision making may have been influenced by the perception of competing interests, impaired judgement or undue influence.
- A Conflict of Interest exists when there is a threat that duties owed by an individual to REM (or REM's clients) conflict with, or may possibly conflict with, a personal, financial or other interest or duty that the individual holds
- This applies to someone with a close personal connection to that individual. A close personal connection includes but is not limited to any children, in-laws, siblings, partner or spouse or someone with whom they are in a relationship with.

- A Conflict of Interest can occur when an employee is put in a situation or circumstance that affects their ability to apply judgement or act in their role or could be impaired or influenced by another interest. It can happen in any situation where there is a possibility that an individual or organisation could exploit one of REM's employees for personal or other benefit.

24. Management of conflicting interests for REM

REM must not advise or represent a client:

- where doing so would involve a significant Conflict of Interest or a significant risk of a Conflict of Interest;
- unless all of those affected have provided their prior informed documented consent.

25. Informed Consent

Informed Consent should be sought if REM is satisfied that proceeding despite a Conflict of Interest is:

- in the interests of all of those who are or may be affected
- approved by all parties
- not prohibited by law
- the conflict will not prevent REM providing competent and diligent advice to those affected.

RICS defines 'Informed Consent' as meaning, consent given willingly by a party who may be affected including knowing:

- there is a Conflict of Interest or a significant risk of a Conflict of Interest
- the facts known are material to the Conflict of Interest
- what that Conflict of Interest is or may be
- that a Conflict of Interest may affect the ability of REM to advise or act fully in the interests of a client.

The RICS standard is clear that where there is significant Conflict of Interest REM cannot proceed unless there is prior Informed Consent from all affected parties.

26. Anti Money Laundering Policy – Conflict of Interest as a Triggering Event

If a Conflict of Interest or a significant risk of one is identified, this is deemed a 'triggering event' for the purposes of REM's Anti Money Laundering policy (a 'triggering event' is one that necessitates an evaluation of the risk level of a relationship between REM and a counterparty).

27. Confidential Information

Confidential information is information belonging to a person or client which is not publicly available and for which disclosure has not been authorised. RICS-regulated firms must maintain confidentiality of Confidential Information unless disclosure is required or permitted by law, or the regulated firm concerned can demonstrate that the relevant party consented to the disclosure before it was made.