

Conflicts of Interest Policy

It is our policy to ensure that First Leasing UK Limited T/A Scaffold Finance conducts its business in an honest and transparent way and that our people act with integrity, having interests of our customers at heart. We achieve this through our culture and by having effective controls and processes in place.

Conflicts of Interest

Our regulatory requirements regarding conflicts of interest are set out in:

- Principle 8 of the FCA's Principles for Business
- SYSC 10 – Conflicts of Interest
- The Companies Act 2006 – Section 175 (“A Director has a duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company”).
- Market Abuse Regulation as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019.

Principle 8 states “A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another customer” and this is taken further by SYSC 10 which requires a firm to “take all appropriate steps to identify and to prevent or manage conflicts of interest” both between itself and its customers or between a customer and another customer.

Conflicts therefore include those between Scaffold Finance and a customer, between a person connected with Scaffold Finance (such as an employee or director, between a person connected with Scaffold Finance and a competitor, or even another firm linked by control to Scaffold Finance, for example a material shareholder) and a customer, and between two or more customers.

Our policy seeks to enhance conduct standards and ensure that the effective management of conflicts of interest is at the heart of maintaining fair, orderly and efficient financial markets. We will do this by putting in place robust processes that seek to identify and record all conflicts and potential conflicts. We will proactively manage any conflict such that our customers' interests are not adversely affected and disclose these where required. Where this cannot be achieved, our processes must ensure that we disclose the conflict of interest in line with our regulatory

requirements. We may also choose not to proceed with any transaction or relationship in order to avoid a conflict and may choose to disclose any conflict as part of the effective management of it.

Examples of where conflicts of interest may arise:

Applicable to all our people:

- When Scaffold Finance makes financial gain or avoid financial loss at the expense of its customers.
- When Scaffold Finance has an interest in the outcome of a service provided to its customers, which is distinct from the client's interests in that outcome.
- When Scaffold Finance has a financial or other incentive to favour the interests of one client or group of customers over the interests of another.
- When Scaffold Finance carries on the same business as a client.
- When Scaffold Finance receives from a person, other than its client, an inducement or undivulged revenue in relation to a service provided to its client, in the form of money, goods or services, other than the standard fee for that service.
- When Scaffold Finance acts for more than one client in a transaction.
- When Scaffold Finance holds confidential information on customers which, if disclosed or used, would affect another client.
- When Scaffold Finance employees accept gifts or hospitality that could be constructed as conflicting with their duties to Scaffold Finance clients.

Applicable to all Senior Managers and Directors:

- When a Director or Senior Manager has a direct or an indirect interest (this may arise from a directorship, significant shareholding, employment or consultancy).
- Where more than one directorship is held.
- Where a Director or Senior Manager is involved in discussions or has sight of privileged market information relating to the sale or acquisition of a quoted firm with which Nucleus or its parent is in negotiations.
- Where a Director or Senior Manager, or a member of their close family, has a shareholding in another company which total 5% or more of that company's issued voting share capital.

- Where Director or Senior Manager with any consultancy or other arrangements which may be in competition or otherwise in conflict with their duties to Nucleus.

In order to achieve our policy, we will require all our people to disclose conflicts on appointment and as conflicts arise, and to attest annually that they have disclosed all conflicts. This includes outside directorships and additional jobs that may give rise to a conflict. This process will be tested periodically through 2nd line assurance activity.

We provide induction and on-going training in respect of conflicts of interest and our policy in relation to conflicts of interest.

We require recruits and our people to inform Scaffold Finance without delay if they or any associated person (e.g. spouse or children) has an interest in any customer, adviser, supplier or competitor of a nature which could lead to a conflict of interest.

Business change procedures and oversight of change must include the identification and assessment of any actual or potential conflicts of interest with appropriate management of conflicts addressed by the change project. This includes changes to products, proposition, services, solutions and relationships with third party firms.

All identified conflicts of interest must be reported and recorded in the Conflicts of Interest Register and presented to the risk committee at least annually.