IGUAKO CAPITAL · Group policy

Conflicts of Interest

A group that originates in one market and deploys the proceeds in another carries conflicts by construction. This policy sets how the group finds them, records them, manages them and, where management is not enough, refuses the business. It covers group conflicts, personal conflicts and conflicts between two clients. It binds all six divisions, the proprietary balance sheet and every person who works on a group mandate.

CODE	CATEGORY	VERSION
IGC-CC-003	Conduct and clients	4.5
EFFECTIVE	**REVIEW**	**OWNER**
2025-11-24	Annual, and on any change to the divisional perimeter or to a co-investment structure	Group Head of Conflicts Management

1. Purpose and scope

Advice, principal capital, client capital and market information all move through the same 36 offices. Each of those four things can be used to the advantage of one party and the disadvantage of another. This policy is the group standard for keeping them apart when their interests diverge, and for saying so in writing when they cannot be kept apart.

Scope covers the six divisions, the proprietary balance sheet of US$610 million, the client portfolio of US$842 million held under stewardship and the 47 portfolio companies and positions. It binds directors, the nine members of the Executive Committee, every one of the 312 people employed by the group and any consultant given access to a live mandate.

This text does not repeat the dealing restrictions in IGC-MT-003 or the information barriers in IGC-MT-004. It sits above both. Where a conflict is already managed by a barrier or by a dealing restriction, it is still recorded in the register and still reported to the Compliance & Conduct Committee with the rest.

2. Definitions

A conflict of interest exists where the group, a division or a person holds an interest that could reasonably influence a decision taken for a client, or where the group acts for two clients whose interests diverge on the same matter. An interest that would appear to a reasonable observer to influence the decision is treated as one that does.

A material personal interest is an interest held by a member of staff or by a close family member with a value above US$25 000, a position of control in a business, or a role that carries a duty to another party. Materiality is judged against the interest itself and never against the size or the fee of the mandate it touches.

A structural conflict follows from the shape of the group rather than from any single decision: principal capital committed beside client capital, an advisory mandate on a company one of the divisions could buy, or one research view reaching several clients at the same hour. Structural conflicts are managed continuously and are never closed.

- A group conflict is an interest of the group or a division that bears on a client decision.
- A personal conflict is an interest of a member of staff or a close family member.
- A client-to-client conflict arises where two mandates diverge on the same matter.
- A structural conflict follows from the shape of the group and is managed rather than closed.

3. Principles

Disclosure is the last measure, not the first. A conflict is avoided where it can be avoided, managed where it cannot, and disclosed only when the client can act on what it is told. A disclosure the client cannot act on records the problem. The group does not treat it as permission to proceed.

The interest of the client ranks ahead of the interest of the group, and it never ranks behind the remuneration of a member of staff. Where the group cannot put the client first on a particular matter, it declines that matter. The size of a fee is not a reason to accept a conflict the group would otherwise refuse.

Every conflict is written down, including the ones that were straightforward to manage. A conflict known only to the people inside it cannot be tested, priced or reviewed. The register exists so that a decision taken under a conflict can be examined years later by someone who was not in the room when it was taken.

4. Identification and the register

Requirement 4.1. Every member of staff declares outside interests, directorships, close family employment in a counterparty and material personal interests on joining, once a year thereafter, and within 5 business days of any change. A declaration more than 30 days overdue suspends the person from new mandates until it is filed.

Requirement 4.2. A conflict identified during a mandate is entered in the group conflicts register within 5 business days, with the parties, the decision taken, the person who took it and the measures applied. At 30 June 2026 the register held 143 open entries, of which 96 were structural and 47 arose from a single transaction.

Requirement 4.3. An external directorship, advisory role or paid outside engagement is accepted only with written approval from the Group Head of Conflicts Management. No person holds more than 2 external directorships. Approval lapses after 12 months and is renewed in writing or treated as withdrawn on the anniversary.

Requirement 4.4. Each division reviews its own register entries every quarter and confirms in writing that the recorded measures are still in force. A measure found to have lapsed is restored within 10 business days or replaced by a stricter one, and the lapse is reported whether or not it caused any harm.

5. Managing, declining and cooling off

Measures are chosen against the particular conflict rather than applied as a standard set. The measure and the reason for choosing it are recorded together, so that a later reader can see what was rejected as well as what was used. A measure that depends on the goodwill of the person conflicted is not a measure.

Principal participation beside client capital is settled before commitment, not after. The balance sheet takes no more than 20 per cent of any position in which client capital is also committed, on the same terms and at the same price. A separate exit right or a fee rebate for the balance sheet is not permitted in any structure.

A person who has advised a seller may not join the acquiring team for the same asset for 12 months. Where an advisory mandate touches a company a division could acquire, the advisory team is walled under IGC-MT-004 and any acquisition proposal goes to the Investment Committee with the conflict stated on the face of the paper.

The group declines business it cannot manage. A mandate is refused where the only available measure is a disclosure the client cannot act on, where a barrier would have to be crossed to do the work, or where the group would sit on both sides of the same negotiation. In the 12 months to 30 June 2026 the group declined 7 mandates on this ground.

- Separate the teams, the reporting lines and the files.
- Restrict the instrument, the issuer or the counterparty.
- Remove the conflicted person from the decision and record who replaced them.
- Fix the allocation rule in writing before the size of the allocation is known.
- Disclose to the client in writing, with a right to withdraw from the mandate.
- Decline the mandate where no measure above is sufficient on its own.

6. Roles and responsibilities

The Group Head of Conflicts Management owns this policy, the register and the annual declaration cycle. Division heads own the conflicts that arise in their own business and the measures applied to them. The General Counsel and Group Head of Compliance decides any case that a division and the policy owner cannot settle between them.

The Compliance & Conduct Committee reviews the register each quarter with declined mandates, lapsed measures and outside engagements approved or refused. A conflict involving a director or a member of the Executive Committee is decided by the Board on the recommendation of the Audit Committee, and the person concerned takes no part in it.

The Remuneration Committee is told of any conflict created by a proposed incentive arrangement before that arrangement is approved. No award is structured so that a member of staff gains from placing a client in one product rather than another, or from moving a client between the divisions of the group.

7. Monitoring, breaches and review

Quarterly reporting to the Compliance & Conduct Committee shows entries opened and closed, declarations overdue, outside engagements approved and refused, mandates declined, measures found to have lapsed and every case escalated to the Board. The report is presented by division so that a pattern in one business is visible against the other five.

Failure to declare a material interest is a breach and is handled as a conduct matter under IGC-PC-002. A person who has taken a decision inside an undeclared conflict is removed from that decision at once. The decision itself is re-examined within 10 business days by someone independent of the division that took it.

This policy is reviewed annually. Version 4.5 took effect on 24 November 2025 and lowered the cap on balance-sheet participation beside client capital from 25 per cent to 20 per cent. Register entries, declarations and approvals are retained for 10 years after the conflict is closed or the person leaves.

Key controls

- An annual declaration of outside interests from all 312 people, updated within 5 business days of any change.

- A group conflicts register with a named owner, a recorded measure and a review date for every entry.
- Written approval before any external directorship or paid outside engagement, renewed every 12 months.
- A cap of 20 per cent on balance-sheet participation in any position held beside client capital.
- Allocation rules fixed in writing before the size of an allocation is known to the desk.
- A cooling period of 12 months before an adviser to a seller may join the acquiring team.
- A quarterly divisional attestation that every recorded measure remains in force, reported to the committee.
- Retention of register entries, declarations and approvals for 10 years after a conflict is closed.

Related policies

- Personal Account Dealing (IGC-MT-003)
- Information Barriers and Inside Information (IGC-MT-004)
- Order Handling and Allocation (IGC-MT-006)
- Code of Conduct (IGC-PC-002)