

PERSONAL RELATIONSHIPS

Working for the Bank, we are expected to be independent of outside interests that might influence our judgement or affect our decisions. Such interests might be personal, for example, a close family member working in a supplier company, money-market counterparty, a regulated institution, a newspaper, in national elected public office, or in the Bank itself.

We respect our colleagues' right to a private life. But the Bank needs to know about close personal relationships, with an individual or an organisation, that could be perceived as creating a conflict of interest or unfair advantage so that, if there is some risk, we can make adjustments to avoid it and any suspicion of collusion, founded or unfounded:

- If a close family member (spouse / partner, parent, sibling, child) works in the Bank you must disclose this via HRConnect and notify your manager. This is important in areas where there is dual control of assets, or signature panels for release of payments. It is also important that people should not be placed in the position of directly or indirectly managing a family member, contributing to appraisals, or pay and promotion decisions. Applicants for jobs here are asked to declare any relations in the Bank, and the reason is obvious: nothing undermines management more effectively than the suspicion of favouritism.

- If a close family member (spouse / partner, parent, sibling, child) works in:
 - financial, economic or political journalism;
 - a Bank-regulated firm;
 - a significant dealing counterparty of the Bank;
 - a firm that is holding or tendering for a contract with the Bank;
 - national elected public office (MPs, the Scottish Parliament, the London, Northern Ireland or Welsh Assemblies);

this must be disclosed. This is based on experience of the types of connection that can cause (unfounded) anxiety and suspicion, but which will cause less of both if they are disclosed to your manager and the Bank (via HRConnect) and kept on record.

If you are unsure whether to disclose a family relationship set out above (for example, if you are no longer in contact), please seek guidance from Secretary's Department.

Discussions on prospective employment

Actual or potential conflicts of interest may arise where you are in discussion with a prospective new employer. HR can help determine whether your line manager needs to be alerted in order to mitigate any such risks. You are encouraged to make the HR Employee Relations team aware promptly of any active two-way discussions about prospective employment with any organisation that is regulated by the Bank, or a counterparty of the Bank that you have contact with as a supplier.

If you are at Scale C and above, you *must* notify the Conflicts Officer of any such discussions, and take advice on the management of any conflicts that may arise. The Conflicts Officer will maintain the confidentiality of the information you provide, unless the nature of the conflict(s) identified make some form of disclosure to management unavoidable. That would be discussed fully with you in advance.

Other relationships

You should consider whether other close personal relationships not listed above could reasonably give rise to an actual or perceived conflict in relation to a specific decision in which you are involved, or your work more generally, given your role and that of the individual in question. E.g., you should always consider whether a prior acquaintance with someone seeking employment with or business from the Bank ought to be disclosed where you are involved in any way in the decision to appoint. If you are unsure about whether to disclose such a relationship, please seek guidance from Secretary's Department before making a declaration.

Disclosure protects staff in exactly the same way as personal financial transactions and entertainment and gifts reporting. In some circumstances, it may be necessary to discuss with you a transfer to another area or to other work, or avoidance of particular work, in order to protect you, the person with whom you have declared the relationship, and/or the Bank. This would be in full consultation with the parties involved.

You should declare and update as necessary close personal relationships with both members and non-members of Bank staff in HRConnect (under Our Code > Relationships Declaration) and notify your line manager. This information is held securely and confidentially within HRConnect. It is available to the Secretary and Deputy Secretaries, HR, and the Compliance Division. Under certain circumstances it may be necessary for the information to be shared with other senior management (for example for administrative purposes as part of the annual relationships data validation exercise), and Internal Audit Division.

If a potential conflict of interest relating to a close personal relationship arises in the course of your day-to-day work, you should bring this to your manager's attention. Your general disclosure in HRConnect is not a substitute for this responsibility.

If you are unsure about whether to report a particular relationship, the Secretary or the Deputy Secretaries will provide guidance. Questions about the policy should be raised with the Deputy Secretaries.

We are also all required to disclose certain financial relationships at the time of joining the Bank and if / when they change. For further information please refer to the Financial Relationships policy.