

Document Classification: RAC Internal – may be sent externally

<p><b>Date of document:</b></p> <p>The date upon which this document was prepared</p>	<p>24 June 2022</p>
<p><b>Policy Manager</b></p> <p>The person responsible for writing or coordinating writing of the policy</p>	<p>Employee Relations Manager</p>
<p><b>Policy owner</b></p> <p>The person responsible for preparation of the policy and for update and review</p>	<p>Chief People Officer</p>
<p><b>Due for review on:</b></p> <p>The date by which this policy is scheduled to be reviewed to ensure the policy is up to date. This policy will remain in force however, until updated or replaced.</p>	<p>24 June 2023</p>
<p><b>Other Key stakeholders:</b></p> <p>Key colleagues with a specific business interest in the policy</p>	<p>Chief Financial Officer, Chief Executive Officer</p>
<p><b>Policy Enforcement Officer:</b></p> <p>The Person within the company responsible for enforcing of taking appropriate action in the event of policy breach</p>	<p>Chief People Officer</p>

# Regulatory Code of conduct

## 1. Introduction and Aims

RAC is authorised and regulated by the Financial Conduct Authority and Prudential Regulatory Authority (“the Regulators”). As such the Regulators provide high-level standards that will apply to almost every person who works in a financial services business, which applies to colleagues within the RAC Group. Those outside of scope of the rules are colleagues who do not perform a role specific to financial services – e.g. receptionists/secretaries/personal assistants, post-room staff, property & facilities management, security guards and catering staff.

Some conduct rules apply to everyone within their scope, while others will only apply to senior managers.

The conduct rules are a set of high-level principles which reflect the core standards that the Regulators expect of staff who work in relevant firms. There are two tiers of rules. The first tier of conduct rules is a general set of rules that applies to most employees in a firm. The second tier is a set of rules that only applies to senior managers.

You must ensure you understand, work in a way that is consistent with, and adhere to, the rules as they apply to you:

### **First Tier: Individual Conduct Rules – Applying to all RAC Colleagues:**

- Rule 1: You must act with integrity.
- Rule 2: You must act with due skill, care and diligence.
- Rule 3: You must be open and co-operative with the FCA, the PRA and other regulators.
- Rule 4: You must pay due regard to the interests of the customer and treat them fairly (only enforceable by the FCA).
- Rule 5: You must observe proper standards of market conduct (only enforceable by the FCA).

### **Second Tier: Senior Manager Conduct Rules – Applying to Senior Managers Functions only:**

- Rule 1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.
- Rule 2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system.
- Rule 3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.
- Rule 4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.

In view of this you must:

- pay due regard to the interests of current and potential future policyholders in ensuring the provision by RAC of an appropriate degree of protection for their insured benefits;
- be open, proactive and transparent when reporting convictions or any issue that might impact on the ability to demonstrate fitness and propriety for the role;
- respond in a timely way to requests for information to enable annual screening checks to be

completed promptly.

## **2. Regulatory Misconduct**

RAC is required to let the Regulators know if we take disciplinary action against an RAC colleague for a breach of the conduct rules under S64c of the Financial Services and Markets Act 2000.

Disciplinary action in this context means:

- issuing a formal warning;
- suspending or dismissing the individual; and
- reducing or recovering any of the person's remuneration.

The Regulators require RAC to notify them of disciplinary action only if that action was because of any action, failure to act or circumstances that amount to a breach of any conduct rule.

## **3. Reporting Breaches of the Conduct Rules to the FCA**

For Senior Management Functions, the FCA requires that firms notify it of this information within seven business days of concluding disciplinary action. For other colleagues, it requires RAC notify it once a year. All FCA breach notifications must be made via the Risk & Compliance Team.

## **4. Reporting Breaches of the Conduct Rules to the PRA**

The PRA requires all notifications to be made within seven business days. This notification rule applies to senior managers, conduct rules Non-Executive Directors and other colleagues subject to the PRA's conduct rules. This includes those holding a certification function and key function holders.

## **5. Related Policies/Procedures**

- [Disciplinary Policy;](#)
- [Employee Screening and Disclosure of Criminal Convictions Policy.](#)
- [Fitness and Propriety Policy;](#)

## Revision History

Version	Date	Author	Remarks
1.0	10/12/2018	H. Fray Andrew	Document Creation
1.1	04/04/2019	J. Noden-Wilkinson	Update link to cross-referenced policies
2.0	28/04/2020	H. Fray Andrew	Review and re-publish
3.0	21/05/2021	H. Fray Andrew	Review and re-publish
3.1	21/04/2022	H. Fray Andrew	Amend document classification to 'May be shared externally'
4.0	24/06/2022	H. Fray Andrew	Review, Update links and re-publish