

To: Katherine Stead <[REDACTED]>; Aamir Akram <[REDACTED]>; Max Kleinert <[REDACTED]>

Cc: Clifford Fourie <[REDACTED]>; Oliver Bettin <[REDACTED]>; Tanushree Kirti <[REDACTED]>; Christopher Whyton <[REDACTED]>

Subject: RE: Family Office Initiative - Follow Up [I]

Hi Katherine – thanks for including me.

There's been a lot a dialogue with Wealth on the ACO subject this last week or 2 with Tanushree on point for Wealth (cc'ed).

The approach we agreed with regard to WM clients needing GM product coverage is summarised below:

- Wealth will define a client perimeter with the central Mercury programme and assign ACOs to all those clients (including KCP)
- If ICG has it's own relationship with the client as well, then ICG will also have an ACO and the client would be green in the ICG perimeter
- If ICG does not have it's own relationship with the client, then the client would remain red in ICG - (importantly this **does not** mean the GM infrastructure will be closed as of course the GM business relationship remains green at the DB level by virtue of having an eligible ACO allocated)
- Where ICG input is required on client that are **red in ICG**, we are looking to Stefan/Louise approve that:
 - i. ICG people are allowed to take orders from Wealth people; and
 - ii. we will continue to have no ACO for the client and therefore Wealth will own the KYC entirely
- Believe Tanushree and team are working on the list?
- (To facilitate Katherine, we'd look to deploy a new flag in TF etc telling our guys they won't get dinged on these clients)

Shout with qs

thanks

From: Katherine Stead

Sent: 19 July 2018 10:37

To: Aamir Akram <[REDACTED]>; Max Kleinert <[REDACTED]>

Cc: Clifford Fourie <[REDACTED]>; Oliver Bettin <[REDACTED]>; Iain Macara <[REDACTED]>

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Classification: **For internal use only**

Further to our call this morning, the following thoughts come to mind where we have a FO's being covered exclusively by KCP employees who are accessing GM systems:

- Who will be ACO for these clients (for co-covered clients we have a GM ACO, but this will not be the case for these clients)
- Does this initiative undermine the co-covered model which has been operating up until this point.
- How will KCP booked trades be identified?
- What S&A checks will be performed by KCP? Where will they be documented? Who in compliance will review? (markets or KCP)
- What will be the ongoing monitoring of trades executed by KCP?
- Do the KCP folks need to be subject to certain of the Markets supervisory controls?
- Do the KCP folks need to receive the same training (Compliance/Business) as Markets people

More fundamentally, I think the SLA needs to be reviewed and consider re-executing under the new management structure. Specifically Yanni Pipilis and Stefan Hoops need to be party to the agreement. Furthermore, if Yanni stated to