

## Information on Dealing with Potential Conflicts of Interest

Our Bank's activities are geared to ensuring that the interests of our clients, our owners and our employees are in harmony. However, at a bank which furnishes its clients with a wide variety of high-quality financial services, isolated conflicts of interest cannot always entirely be ruled out.

Conflicts of interest may arise between a bank and its clients, among clients or between a bank, its clients and its employees, and they are also possible between a bank and other financial service providers, including other companies within the same group as the bank. Conflicts of interest may for instance arise:

- » **in the event of transactions or financing services involving either conflict between several client orders or conflict between client orders and the bank's own transactions or other interests;**
- » **in the course of investment advice or asset management;**
- » **in the preparation of financial analysis.**

To avoid conflicts of interest before they occur we have taken a series of measures and put in place various procedures.

### MEASURES AND PROCEDURES FOR AVOIDING POTENTIAL CONFLICTS OF INTEREST

#### Organisational measures

To prevent the services we provide for our clients, such as advice, order execution, asset management and financial analysis, from being influenced by outside interests, we have organised ourselves in terms of both processes and structures in multi-tier fashion, with a corresponding division of individual responsibilities. Both the Bank as a whole and our employees are committed to the high ethical standards required of the banking industry and profession. As a company trading in securities we are obliged to provide all securities services and ancillary securities services honestly, fairly, professionally and in the best interests our clients, and in so doing as far as possible to avoid conflicts of interest.

To this end we have a Compliance Unit which is independent in the exercise of its duties and reports directly to the executive management. It is responsible for identifying, preventing and managing conflicts of interest and for taking appropriate action against them.

#### Specific procedures

The procedures put in place include those listed below. Continuous compliance with these procedures is monitored not only by the Compliance Unit but also through both internal and external audits.

1. Organisational procedures for safeguarding client interests when providing investment advice and asset management services, e.g., the approval procedure for new

- products and investment processes geared towards client interests;
2. The demarcation of different lines of business and simultaneous control of the flow of information between them (so-called 'confidentiality spheres');
  3. Identification of all employees who could be subject to conflicts of interest in the exercise of their duties and an associated obligation to disclose all their business activities involving financial instruments;
  4. The maintenance of observation lists and banned lists of financial instruments which could spark conflicts of interest;
  5. The ongoing monitoring of all our employees' business activities;
  6. The execution of orders either in accordance with our best execution policy or on clients' specific instructions;
  7. Incentive schemes whereby neither higher fee revenues nor payments from third parties lead automatically to higher salaries;
  8. Rules governing the acceptance of gifts and other benefits by our employees;
  9. The ongoing training of our employees.

#### **DISCLOSURE OF UNAVOIDABLE CONFLICTS OF INTEREST**

If in exceptional cases conflicts of interest cannot be avoided either by the above division of responsibilities or by our compliance unit, we will disclose this fact to the clients concerned.

#### **NB**

On request we will furnish you with further details of these Principles for dealing with potential conflicts of interest.

