

## Key elements of Banque Raiffeisen's policy concerning the preventing, detecting and managing of conflicts of interest

### 1. SCOPE

In accordance with its legal and regulatory obligations, Banque Raiffeisen s.c. (hereafter the “**Bank**”) has established a Policy concerning the preventing, detecting and managing of conflicts of interest (hereinafter “the Policy”) which, among other things, has the purpose of detecting conflicts of interest that may arise in connection with its provision of services to clients.

This document presents the key elements and summarises the principles of the Policy, which relates to all the rights and/or duties of the staff of the Bank (Board members, Executive members, employees, trainees) hereinafter collectively referred to as “**Employees**”.

In addition, the Policy also concerns the Bank's clients in the context of protecting their interests in their dealings with the Bank.

The Policy applies without distinction to all the Bank's activities (banking and investment products, securities account keeping, discretionary management, advice, insurance products etc...)

### 2. OBJECTIVES AND FUNCTIONAL PRINCIPLES

#### 2.1. Objectives

In the course of its activities, the Bank maintains and implements the organisational and administrative provisions necessary to take all appropriate measures to prevent conflicts of interest from occurring.

The Policy is intended to identify circumstances which, in the context of the investment services and activities and other services that the Bank provides, give rise or are likely to give rise to a conflict of interest that could harm the interests of one or more clients.

It defines the procedures to be followed and the measures to be taken to manage these conflicts of interest by establishing principles and rules to be followed by Employees so that conflicts of interest are prevented, identified and managed at each hierarchical level.

#### 2.2. Main principles

##### 2.2.1. Classification of conflicts of interest

Conflicts of interest are defined as conflicts

- between the Bank (including its Employees) and its clients,
- between two clients during the provision of any investment service, ancillary service or combination of these services that could harm clients' interests,
- between the Bank and its Employees, or
- between the Bank and its business partners (suppliers, subcontractors, counterparties...).

##### 2.2.2. Circumstances likely to give rise to a conflict of interest (non-exhaustive list)

A conflict of interest could occur, for example, if the Bank or an Employee:

- stands to make a financial gain or avoid a financial loss at the expense of a client;
- has an interest in the outcome of a service provided to or transaction carried out on behalf of the client that is different from the client's interest in that outcome;
- is led, for financial or other reasons, to favour the interests of another client or a group of clients over those of the client concerned;

- has the same professional activity as the client;
- receives or will receive from a person other than the client a benefit in connection with the service provided to the client, in the form of money, goods or services, other than the commission or charges normally invoiced for that service.

The following situations are also likely to give rise to a conflict of interest:

- Simultaneous exchange of information between or involvement in investment services by Employees engaged in potentially conflicting activities;
- Agreement on special treatment or assignment specifications on the basis of a personal relationship or family tie;
- Direct or indirect acquisition or sale by Employees of assets or goods belonging to the Bank;
- Exercise by an Employee of another job or activity on a freelance basis or performance of services for another organisation that compromises or alters his or her performance of work for the Bank;
- Capacity of an Employee or a member of his or her family as a significant shareholder or partner, board member, director, employee, consultant or agent of a rival organisation;
- Capacity of an Employee or a member of his or her family as a client, supplier or sub-contractor that does business with the Bank;
- Acceptance by an Employee of a mandate or proxy for a client;
- Client relationships involving some form of exclusivity on the part of an Employee that could lead to an excessive personal tie or restriction of other Employees' access to the client in question;
- Multiple insurance coverage: the client is covered multiple times for the same risks;
- The Bank receives a commission based on volume, growth, loss ratio / premium, ...

### **2.3. Detection and prevention**

In this context, particular attention is given to:

- The implementation of an organisation that avoids any situation of inappropriate influence;
- The definition of ethical principles and a duty of fairness with regard to clients;
- Segregation of the Bank's and its clients' assets;
- Strict separation of duties between portfolio management and investment advisory services on the one hand and execution of orders on financial instruments on the other hand;
- Any potential conflicts of interest in connection with the exercise of the Employees' secondary activities;
- Rules applicable to gifts, favours and invitations;
- Any measure relating to monetary and non-monetary benefits received from or paid to third parties.

Organisational and administrative provisions include the following measures in particular:

- Service-related remuneration,
- Segregation of duties ("Chinese walls"),
- Effective complaint management,
- Control and limitation of influence deemed inappropriate,
- Formally documented, controlled management of powers of attorney on the accounts in the Bank's books,
- Independence of employees.

### **2.4. Management of conflicts of interest**

#### 2.4.1. Communication with clients

If the measures taken to prevent, manage or mitigate conflicts of interest are not sufficient to ensure that the risk of harming the client's interests is avoided, the Bank undertakes to communicate to the clients concerned the general nature and/or sources of conflicts of interest as well as measures taken to mitigate these risks before carrying out transactions on their behalf.

This non-manageable conflicts of interest notification procedure must remain exceptional, be used as a last resort and must be validated by the Compliance function. Communication must be in writing, clear and precise, so that clients can assess the situation and make an informed decision on the services to be provided to them.

#### 2.4.2. Right of abstention

If the general measures and the method of communicating conflicts of interest are not sufficient to satisfactorily resolve a specific conflict situation, the Bank reserves the right to refrain from carrying out transactions on behalf of the clients concerned.

#### 2.4.3. Recording of situations, services or activities giving rise to a conflict of interest

The Bank maintains and regularly updates a register of potential and proven conflicts of interest in connection with the performance of its activities.

This register is accessible for consultation by the Bank's Employees.

The current document is a translation based on the French original. In case of deviations from the original version, only the French text shall prevail.