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 and those of the Bank in their dealings with the Bank as well as subcontractors/external service providers.

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

It defines the steps 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. Definition - Classification of conflicts of interest

A conflict of interest arises when an individual's (or entity's) personal or financial interests interfere with their professional obligations and ability to make impartial and objective decisions in the interests of their clients, employer or other relevant party. This may be a situation where an individual is exposed to conflicting incentives or pressures that could compromise his or her loyalty, good character, duty of care or independence in the performance of his or her duties.

In the context of the Bank, this implies specific aspects to be considered, such as:

- Interactions with clients: The Bank and Employees deal with many clients and have access to their personal and financial information;
- Credit decision-making: The Bank grants credit and assesses the associated risks. A conflict of interest could arise if an employee responsible for credit assessment has a personal relationship with the borrower, which would affect his or her impartiality in deciding whether to grant the loan.

Conflicts of interest can therefore arise in situations involving:

- the Bank (including its Employees) and its clients,

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- two clients during the provision of any service (for example bank service, investment service, ancillary service or combination of these services…) and whose existence may damage the interests of a client, including his or her sustainability preferences in the specific situations of providing investment services and ancillary services or a combination of these services, or
- the Bank and its Employees, or
- the Bank and its business partners (suppliers, subcontractors, counterparties…).

Conflicts of interest can be divided into two categories:

- ⇨ Conflicts that are likely to harm clients. These are conflicts of interest that arise either between the Bank and one or more clients, or between an Employee and one or more clients, or between several of the Bank's clients.
- ⇨ Conflicts of interest that do not involve clients and that arise between Employees and the Bank or that arise in the context of the provision of an activity or service to the Bank by an subcontractor/external service provider.

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 is likely to make a financial gain or avoid a financial loss at the expense of the client;
- the Bank or an Employee has an interest in the outcome of a service provided to or a transaction carried out on behalf of the client which differs from the client's interest in that outcome;
- the Bank or an Employee has a financial or other incentive which favours the interest of another client or group of clients over those of the concerned client;
- the Bank or an Employee carries on the same business as the client;
- the Bank or an Employee receives or will receive from a client or a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits 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 competing 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;
- Major shareholder/partner status, director, manager, Employee, consultant or agent of a competing organisation, a subcontractor/external service provider of an Employee or a member of his/her family;
- 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;
- Any potential conflict of interest in the context of decisions concerning clients, in particular the acceptance of new clients and the granting of credit;
- Any conflict of interest in the context of outsourcing.

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.

These 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.