



Group Conflict of Interest Policy

MeDirect Bank (Malta) nv – MeDirect Nederland – www.medirect.nl – info@medirect.nl – 030 203 5900

MeDirect Bank (Malta) plc, company registration number C34125, is licensed to undertake the business of banking in terms of the Banking Act (Cap. 371) and investment services under the Investment Services Act (Cap. 370). MeDirect Bank (Malta) plc is regulated by the Malta Financial Services Authority as a Credit Institution under the Banking Act 1994.

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Approval

This document is owned by the Head of Compliance Malta and Head of Compliance Belgium and responsibility for approval is with the Board of Directors, upon the recommendation of the Board Risk Committee.

1 Scope

MDB Group Limited (the “Company” or “MDB”) has established and implemented this policy which sets out, on behalf of the Company and its direct and indirect subsidiaries (collectively, the “Group” and each individually, a “Group Company” or “Bank”), the Group’s arrangements in connection with the identification, prevention, documentation, escalation, management and eventual communication¹ to the customers of Conflicts of Interest.

This policy is appropriate to the size and organisation of the Group, as well as the nature, scale and complexity of its business activities. This policy aims at protecting the interest of each entity of the Group, customers, shareholders, staff and other stakeholders by ensuring that decisions are not made for improper reasons.

The Group, all Staff members and any other affiliated person or company are obliged to abide by the rules set out in this policy.

2 Definitions

For the purposes of this policy, the following definitions apply:

¹ Where such Conflicts of Interest arise in the course of providing investment and Ancillary Services or a combination thereof and where the effective organisational and administrative arrangements established by the Group to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the customer will be prevented.

Term	Definition
Ancillary Services	<p>In the context of investment services, means any of the following services:</p> <ul style="list-style-type: none"> • Safekeeping and administration of financial instruments for the account of customers, including custodianship and related services such as cash/collateral management and excluding maintaining securities accounts at the top tier level; • Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction; • Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings; • Foreign exchange services where these are connected to the provision of investment services; • Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments; • Services related to underwriting
Customer	<ul style="list-style-type: none"> • an existing customer of a Group Company; • a potential customer of a Group Company; or • a past customer where fiduciary or other duties remain in place;
Close Personal Relationship	<ul style="list-style-type: none"> • Personal Relationship of an employee (refer to Personal Relationships at Work policy) • A personal business, commercial or financial relationship of Staff Member
Compliance Officer	Head of Compliance
Conflict of Interest	A Conflict of Interest is a situation where one or more persons or entities have competing interests and the serving of one interest may involve detriment to another.

Durable Medium	Durable Medium means any medium which enables a customer to store information addressed personally to that customer in a way accessible for future reference for a period of time adequate for the purposes of the information and which also allows the accurate reproduction of the information stored. An example is a PDF sent through the Bank's online secure messaging system.
Executive Management	Members of the Executive Committee (EXCO) of MeDirect Bank (Malta) plc or MeDirect Bank S.A./N.V.
Family Member	in relation to a Staff Member, a spouse (a husband or wife, considered in relationship to their partner), civil partner (a legal relationship between two people that is similar to marriage), domestic partner (a person who is living with another in a close personal and/or romantic relationship), child or stepchild (whether natural or adopted), parent or parent-in-law, sibling or sibling-in-law, grandparent, aunt, uncle, nephew, or niece
Group	MDB Group Limited and its direct and indirect subsidiaries.
Investment Research	As defined in the Group Inducements Policy
Related Party Transaction	Shall have the same definition found in the Group Related Parties Policy
Relevant Person	<ul style="list-style-type: none"> • A director, partner or equivalent or manager of any Regulated Group Company. • An employee of a Regulated Group Company (staff member), as well as any other natural person, such as a consultant, whose services are placed at the disposal and under the control of a Regulated Group Company and who is involved in the provision by a Regulated Group Company of MiFID Products and Ancillary Services and any other Ancillary Services regulated by the law. • A person considered as service provider who is directly involved in the provision of services to a Regulated Group Company under an outsourcing arrangement for the purpose of the provision by this Regulated Group Company of MiFID Products and Ancillary Services and any other Ancillary Services regulated by the law.

Staff Member	Any individual with an employment contract directly with the Group, including Non-Executive Directors of the Group or any Group Company
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3 What is a Conflict of Interest?

A Conflict of Interest is a situation where one or more persons or entities have competing interests and the serving of one interest may involve detriment to another. This policy applies to the extent that a Conflict of Interest can give rise to the risk of one or more of the following:

- the Group and/or a Staff Member failing to fulfil a duty of care, trust or loyalty owed to another person or entity such as a customer or Group Company;
- a Staff Member’s professional judgement and objectivity being compromised and/or hindering the proper discharge of their duties and responsibilities;
- Management decisions lead to the interest and/or independence of a Group company being disregarded for the benefit of another Group company;
- a Staff Member engaging in unethical conduct;
- the obtaining of improper advantage or treatment arising from:
 1. the provision of products and services to customers and/or;
 2. other non-customer related activities (eg. relationships with suppliers)
- the Group and/or a Staff Member failing to comply with legal or regulatory obligations.

A Conflict of Interest under this policy includes both an actual Conflict of Interest (i.e. a Conflict of Interest that has arisen) and a potential Conflict of Interest (i.e. a Conflict of Interest that may arise given particular facts and circumstances).

A Conflict of Interest may arise not only from present but also from past personal and professional relationships.

The Group applies effective organisational and administrative arrangements to prevent and manage structural (ongoing – intrinsically linked to the nature of products and services offered by the Group) Conflicts of Interest from arising on a permanent basis. A non-exhaustive list of structural Conflicts of Interest examples and the measures to prevent them as much as possible and manage them when they do occur may be found in Appendix 2 of this policy.

Nevertheless, other Conflicts of Interest may occur unexpectedly with regard to a single event (eg a transaction or the selection of a service provider) and in such cases the one-

off measures which will be put in place in order to prevent and/or manage such Ad-Hoc Conflict of Interest will depend on its nature and materiality.

Failure to identify and appropriately manage Conflicts of Interest could result in adverse consequences for Customers, the Group (or any Group company) and Staff, such as reputational damage, damage to Customer relationships and loss of Customer business, regulatory sanctions, and risk of litigation.

4 Types of Conflict of Interest

The identification of potential Conflict of Interest is a shared responsibility of all Staff Members, including executive and non-executive directors of each Group company, and the Compliance Department. The below are situations or relationships where Conflicts of Interest may arise:

- economic interests (e.g. shares, other ownership rights and memberships, financial holdings and other economic interests in commercial customers, intellectual property rights, loans granted by the Group to a company owned by staff, membership in a body or ownership of a body or entity with conflicting interests);
- personal or professional relationships with the owners of qualifying holdings in the Group;
- personal or professional relationships with staff of the Group or Group Entities included within the scope of prudential consolidation (e.g. family relationships);
- other employment and previous employment within the recent past (e.g. five years);
- personal or professional relationships with relevant external stakeholders (e.g. being associated with material suppliers, consultancies or other service providers)
- political influence or political relationships
- Intra-group arrangements and agreements
- Provision of Investment Services or Ancillary Services under the MiFID

5 Materiality

The Group defines Conflicts of Interest as material if it falls within at least one of the following criteria:

- The Conflict of Interest puts the independence of a Group Company at risk
- The Conflict of Interest arises from personal relationships of members of the ExCo and/or senior management with a vendor/service provider for contracts of more than €500,000 and/or that is considered as critical for the business model of the Group and/or a Group Company
- The Conflict of Interest seriously damages the reputation of the Group and/or a

Group Company.

- The Conflict of Interest may result in a class action by the customers of the Bank.

6 Approach to Conflicts of Interest

The Group seeks to ensure that a Conflict of Interest does not adversely affect the interests of Customers, the Group, any Group company, its shareholders or other stakeholders (vendors, outsourcers etc) through the identification, prevention or management of the Conflict of Interest.

Some Conflicts of Interest are not permitted as a matter of law or regulation and others are permitted so long as the Group has appropriate means by which to manage such Conflicts of Interest. The Group may utilise several means (which may be used individually or in combination) to prevent the conflicts of interest and to manage the ones that couldn't be prevented:

- i. Organisational arrangements – refer to section 8.1 of this policy
- ii. Policies, procedures and controls – refer to sections 8.2 and 8.3 of this policy
- iii. Disclosures to affected parties – MiFID specific – refer to Appendix I of this policy
- iv. Halt the service, activity or matter giving rise to Conflict of Interest where it cannot be prevented or managed using the above means.

7 Employee Responsibilities

As part of the Group's approach to conflicts management, Staff members must fulfil the responsibilities outlined below when performing their roles within the Group.

7.1 All staff

All Staff members are responsible for identifying, preventing, reporting and managing Conflicts of Interest on an ongoing basis and are required to:

- comply with this policy, rules and other applicable policies and procedures relating to the identification, prevention, documentation, reporting and management of Conflicts of Interest;
- act with integrity and exercise good judgement and discretion;
- act with a degree of independence;
- prevent potential situations of Conflict of Interest due to personal financial interest, Family members or Close Personal Relationships. This relates to current as well as previous Personal Relationships;

- avoid potential future potentially conflicting involvement in an activity or different roles and responsibilities within the Group;
- immediately notify the Compliance department of any personal potential or actual Conflicts of Interest;
- immediately notify any Conflict of Interest you can relate to a third party which you suspect has not been reported and may be of a detriment to the Groups interest
- immediately disclose Conflicts of Interest to the chairperson when participating in decision making fora (for example the Board and Board Committees and EXCO and Management Committees) or other committees and, if the chairperson so determines, remove themselves from the decision-making process and the related discussions and not seek to influence such decisions any further. This shall be clearly documented in the Terms of Reference of each committee;
- not be in a supervisory, subordinate or control relationship (having influence over conditions of employment) with closely related persons including Family Members or Close Personal Relationships;
- manage work-related information on the basis of “need to know” principles;
- escalate any issues of concern to the Compliance department for Conflicts of Interest to be appropriately reviewed, managed and resolved;
- upon joining the Group and on an annual basis complete a Conflict of Interest attestation;
- carry out personal transactions in a way which does not conflict with the obligations of the Group

7.2 Heads of Department

Heads of Department are required (over and above the responsibility of All Staff laid out above to:

- prevent Conflicts of Interest by allocating conflicting activities and/or transaction to different persons;
- actively seek to identify, prevent or manage (when prevention is not possible) Conflicts of Interest situations, including in connection with any current activities;
- determine (with the assistance of compliance if required) the measures to put in place should any Conflict of interest be identified while ensuring that it is reported to Compliance;
- while entering into new activities, target audiences or markets or relationships with any entity, prevent the realisation of any Conflict of Interest and ensure potential future Conflicts of Interest are identified, prevented, managed (when those cannot be prevented) and listed.
- periodically and in applying a holistic approach, assess for potential conflicts of interest that may arise especially when considering new business activities

7.3 Executive Management

The executive management are responsible for overseeing the management of Conflicts of Interest within their respective areas of responsibility. Executive Management are required to:

- sponsor and encourage an appropriate culture of identification, prevention, reporting and management of Conflicts of Interest;
- be engaged in the implementation of policies, procedures and arrangements related to Conflicts of Interest, and this through clear communication of policies, procedures and expectations and the sharing of best practice throughout the Group;
- adopt a holistic view to identifying potential and emerging Conflicts of Interest within and across different departments within their area of responsibility;
- raise awareness and promote adherence of Staff Members in completing regular training both at induction and in the form of refresher training;
- promote a culture of self-reporting obligations to Staff Members (e.g. annual attestation etc)

7.4 Board Members

The key obligations of Board Members of the Group and/or Group entities in respect of Conflicts of Interest are:

- Establish, approve and oversee the implementation of effective policies to identify, assess, manage and mitigate actual or potential Conflicts of Interest;
- As a rule, act in the best interest of the Group and/or Group Company they represent and ensure that procedures are in place so that transactions within the Group or in between Group Entities are generally undertaken only on an arms-length basis, unless local Law u Regulation prohibits that. In this context, a Board member:
 - may consider the aligned interest of the Group Company as an element in their decision-making process;
 - may give the Group Company interest significant weight where the Board Member considers this to be in the interest of the Group;
 - has the responsibility to weight the merits of the Group's interest and the Group Company's interest in the decision-making process
- Ensure that business decisions are unaffected by Conflict of Interest and therefore, Board Members must:
 - proactively identify Conflicts of Interest resulting from their Board position and disclose as required;
 - disclose any actual or potential Conflict of Interest prior to the start of each Board meeting, whether these have arisen through a change in their personal affairs or through developments (proposed or actual) within the Group

- refrain from carrying out any action which may be deemed to be detrimental to the Group/Group Company for which they are a Board Member, including not participating in the discussion and decision taking around the conflicted topic
- bring to the Board for approval any new directorships or other offices (including charitable or political) that they intend to take on, even within the Group or any entity closely linked to the Group through shareholder interests or as a service provider;
- not participate in the assessment as to whether a Conflict of Interest exists or not and how it should be addressed if so and may potentially be asked to leave the meeting in order to ensure this requirement is met;
- not represent the Group/Group Company in dealings with him/herself, or with a third party represented by him/herself unless specific approvals have been obtained.

8 The Management of Conflicts of Interest

In general, the Group ensures that the appropriate measures are adopted (e.g., information barriers) for preventing or managing structural Conflicts of Interests. The followings arrangements exist:

8.1 Internal Governance Arrangements

8.1.1 Board Governance

The Board as a whole ensures that there is a Conflicts of Interest policy in place which it approves, while the Executive Directors are responsible for overseeing the implementation and maintenance of policies & procedures aimed at identifying managing and mitigating actual and potential Conflicts of Interest.

8.1.2 Segregation of functions and responsibilities

The Bank applies an adequate segregation of business units and responsibilities between which conflicts of interest are likely to arise to allow for their independence.

It also applies a three lines of defence model that requires the independence of control functions, including Compliance, Risk and Internal Audit.

The Bank has implemented procedures which do not allow the same one person to execute different stages of a transaction, be it a customer transaction, transaction with a vendor or selection of an outsourcer.

8.1.3 Committee governance

Each committee within the Group includes in its Terms of References the requirement for consideration of potential Conflicts of Interest when determining the composition of the committee, considering the tasks and responsibilities of that committee.

Furthermore, the terms of reference require committee members to disclose potential Conflicts of Interest at the beginning of any committee meeting on an ongoing basis to the chairperson and for the chairperson to take appropriate action to document and manage such Conflicts of Interest. Any Conflicts of Interest disclosed during such committee meetings, must be disclosed to compliance.

8.1.4 Annual Attestation

All staff are requested to submit an annual attestation upon joining the Group on a contract of employment and on an annual basis whereby they have any Conflicts of Interest to declare.

8.1.5 Staff awareness

Awareness on Conflicts of Interest is ensured by:

- Rolling out the Conflicts of Interest policy annually as a mandatory to all staff.
- Conflicts of Interest is included in the presentation provided by Regulatory Compliance to new staff of the Bank through the Induction training,
- Annual online training through skillcast
- Knowledge bites sent out by compliance to all Staff Members serving as a reminder of their obligation is respect of Conflicts of Interest

8.2 Conflicts of interest framework

8.2.1 Conflicts of Interest Register

All potential and effective Conflicts of Interest within the Group shall be mapped and registered in a central inventory of potential Conflict of Interest. Such inventory shall be kept updated in light of changes in applicable regulation, Group's organization and/or roles and responsibilities of the operational departments within the Group, Group activities/service offerings and occurred incidents.

8.2.2 Involvement of regulatory compliance

The Regulatory Compliance department has the below responsibilities under the Conflicts of Interest framework:

- i. Consider, unless the Conflict of Interest can be mitigated by excluding the conflicted person from the decision-making process, whether a materiality assessment shall be conducted or otherwise, depending on the overall exposure and potential impact of the conflict of interest. Should compliance deem that

further actions are required, a materiality assessment will then be carried out.

This shall include a review of any potential qualitative and quantitative detrimental effects the Conflict of Interest may entail for the Group or the Group's customers. This assessment can be conducted in line with the risk assessment methodology used across the Group, covering both financial and non-financial risk. Potential reputational risk shall also be taken into consideration as part of the assessment

- ii. Assist in identifying the measures to put in place to effectively manage an identified conflict of Interest.
- iii. Approve the onboarding of new Staff Member or movement to other departments within the Group whether a Conflict of Interest has been identified through a personal relationship or an outside business activity for example.
- iv. Maintain the central Conflicts of Interest register.
- v. Report annually to The Executive Committee and the Board of Directors in terms of conflicts of Interest

8.3 Operational arrangements

The Group implements several systems, controls, policies and procedures to manage Conflicts of Interest, including but not limited to below.

8.3.1 General policies, procedures, systems and controls

Information Barriers

Access to information is granted on a need-to-know basis; sharing of information by different departments or Relevant Persons in respect of a Customer financial situation or transactions can lead to a Conflict of Interest. Therefore, the Group's employees shall not disclose or use inappropriately Customer confidential information. There are effective controls in place to manage the exchange of information between Relevant Persons engaged in activities involving a risk of a conflict of interest. Such information barriers include separation of premises, personnel, reporting lines, files and IT systems.

Escalation process

The Group implements an escalation process for Conflicts of Interest, with each Staff Member having the responsibility to report any personal Conflicts of Interest, being personal or of another and other responsibilities depending on the level of seniority as described in section 7 of this policy.

The escalation process in place is intended to ensure that Conflicts of Interest can be escalated on a timely basis to allow for the adequate assessment and ultimately to arrive at the most appropriate resolution.

Whistleblowing

The Group provides appropriate channels through its Whistleblowing policy for the reporting/whistleblowing of Conflicts of Interest within the Group where a staff member considers this to be the appropriate channel to draw the matter to the attention of the Group/Group Company.

8.3.2 Other policies, procedures, systems and controls relating to specific activities

Intragroup arrangements / agreements

Both MeDirect Bank (Malta) plc and MeDirect Bank S.A./N.V. are part of a same group but may have different interests while working together.

The Group nevertheless seeks to ensure that business between the Group Entities is executed in a way which prevents situations of Conflicts of Interest or preserves the interests of both parties.

Loans and transactions

Related Party Transactions can present potential or actual Conflicts of Interest and may raise questions about whether such transactions are consistent with the best interest of the Group/Group Entities, and their customers'. The Group has in place a Related Parties Policy which sets forth:

- how related parties should be identified and documented
- the specific arrangements for the proper management of potential conflicts of interests regarding Related Party Transactions undertaken by the Banks; and
- the procedures for providing information on Related Party Transactions to the Banks' Risk Committees.

Vendors and Outsourcing Activities

A Conflict of Interest may arise during the Group's interaction with Vendors where, for example, a Staff Member involved in the procurement or hiring process has a close relationship with a particular Vendor. A Conflict of Interest may also be present in the case of an outsourcing arrangement where a Staff Member who is involved in the project has a close relationship (of any form – family links, shareholding relationship etc.) with the entity to whom the activity is being outsourced.

The Group has in place a Procurement Policy and Procedure and an Outsourcing Framework (for both third party and intra-Group outsourcing) and shall operate controls and procedures to manage these interactions, including due diligence requirements, contractual arrangements and an obligation on Staff to disclose matters that might give

rise to a Conflict of Interest. In addition, where a Vendor/Outsourcer is also a customer or potential customer of a Group Company, the Group seeks to manage these relationships independently and on an arm's length basis. This also applies to consultants and contractors.

Outside Business Activity

A Conflict of Interest may arise when a Staff Member is involved in a business other than the employment with the Group. The HR procedures mandate the approval of Staff Member's outside business activities to avoid unmanageable conflict of interest or reputation damage.

Personal Relationships at Work

In most cases a Personal Relationship between staff members will not interfere with work however, a Personal Relationship may adversely impact the parties concerned, other colleagues or negatively affect business efficiency. Personal Relationships can be particularly problematic where they involve members of the same team or are between a supervisor or manager, and subordinate. Personal Relationships at work are a legitimate management concern. The Group has in place a Personal Relationships at Work Policy, which seeks to address the issues which may arise where there is a Personal Relationship while preserving the employees' privacy rights.

Personal Account Dealing

A Conflict of Interest may arise between a Staff Member and the Group/Group Company and/or its Customers by virtue of personal transactions especially for those Staff Members who have access to confidential information relating to customers transactions. The Group has in place a Personal Account Dealing Policy which places some prohibitions and notification requirements in respect of personal transactions.

Gifts and Entertainment

A Conflict of Interest may arise where a Staff Member receives or offers a gift or entertainment that constitutes an inappropriate incentive for a Staff Member. The Group has in place an Anti-Bribery and Corruption Policy which states that all staff must ensure that offering, giving or receiving gifts, payments, invitations, entertainment, hospitality are done in accordance with the ethical standards one can expect from a diligent person in similar circumstances. It lays out the requirement to report and obtain pre-approvals (where applicable) for gifts and approvals shall be based, amongst other things, on the consideration of potential Conflict of Interest situations.

Complaints Management

The Group has established a Complaints Handling Policy. The compliance function is informed of all complaints raised and analyses them to identify complaints arising from mismanaged or disclosed conflicts of interest.

Remuneration Practices

A Conflict of Interest may arise where the Bank's remuneration practices could incentive staff members to act contrary to the interests of Bank and/or its customers, their assigned responsibilities, the applicable regulatory requirements, or the Bank's Code of Conduct. The Group's remuneration practices shall ensure that no material conflicts of interest arise in respect of remuneration for staff members.

MiFID related

Please refer to Appendix 1 of the policy of MiFID specific requirements and arrangements.

9 Reporting a Conflict of Interest

All Conflicts of Interest must be disclosed immediately to the Regulatory Compliance Department. N.B. This is over and above the annual attestation mentioned in 8.1.4.

If an employee notices a Conflict of Interest that does not directly involve him/her and reasonably suspects that this has not been reported, a disclosure in this regard should be made on a confidential basis by following the process described above or by blowing the whistle in line with the Group Whistleblowing Policy.

10 Non-adherence to the Conflicts of Interest Policy

All sanctions policies issued by the Group's HR, are applicable in case of non-adherence to the present policy.

11 Record Keeping of Conflicts of Interest

Conflicts of Interest register is reviewed on a yearly basis and the information in respect of the entries within it shall be retained for a period of five years

12 Policy Review

Regulatory Compliance shall review and assess the adequacy of this policy and at least annually, considering any changes in applicable laws, regulations, rules and practices and shall confirm that all the requirements of the policy have been carried out

Appendix 1: MiFID Specific

Background

Conflicts of Interest may rise in the course of providing Investment and/or Ancillary Services or a combination of such services or in any other way, the existence of which may damage the best interests of a customer, the Group shall consider, in accordance with specific and appropriate criteria and procedures, whether the relevant Group company or any Relevant Person, or a person directly or indirectly linked by control to a Group company, is in any of the following situations:

- is likely to make a financial gain or avoid a financial loss at the expense of a customer;
- has an interest in the outcome of a service provided to the customer or of a transaction carried out on behalf of the customer which differs from the customer's best interest in that outcome;
- has a financial or other incentive to favour the interest of another customer or group of customers over the interests of the customer;
- carries on the same business as the customer;
- receives or will receive from another person, other than the customer, an inducement in relation to a service provided to the customer, in the form of money, goods or services other than the standard commission or fee for that service; and
- receives or will receive from a customer an inducement in relation to a service that will be provided or has already been provided, in the form of money, goods or services

Organisational arrangements

The arrangements detailed in section 7.1 of this policy extend and apply to MiFID conflicts of interest as to any other type of Conflict of Interest.

Operational arrangements

The Group implements systems, controls, policies and procedures aimed at managing Conflicts of Interest which may rise from the provision of Investment and Ancillary Services.

Confidentiality

The Group respects the confidentiality of customers' information by operating a "need to know" approach under which access to customers' information is restricted to those Relevant Persons who require such information to carry out their responsibilities.

Additionally, the Group is bound by applicable laws and regulations relating to the handling and processing of customers' information and prevention of market abuse.

The obligation to maintain confidentiality as specified above shall remain in effect even after an employee ceases to be employed at a Group company and each employee shall be required to sign a confidentiality agreement upon commencement of employment with a Group company.

Handling of Customer Orders

A Conflict of Interest may arise where a staff member receives, transmits, executes or otherwise handles a customer order. MeDirect has a Group Personal Account Dealing policy in place to manage such Conflicts of Interest and thereby protect Customer's interests, requiring Staff to act honestly, fairly and professionally in accordance with the best interests of a Customer and prohibiting improper conduct by the Bank's traders, such as front-running Customer orders.

Inducements

The Group has clear guidelines regarding the reception of inducements while providing Investment services to its customers to ensure that it acts honestly, fairly and professionally in the best interests of its customers which are laid out in the Group Inducements Policy. As a result:

- Customers will be informed in a transparent way about the existence and payment of inducements in a pro-active way, and such inducements will be duly disclosed to customers in the context of the specific reporting they receive from the Group.
- All funds will be treated equally and there is no financial incentive to sell one product over another.
- Retrocessions perceived will be analysed and judged acceptable if they are in line with the market practices; i.e. it is designed to enhance the quality of the relevant service to the customer.
- The Bank's products and services approval and review policy provides for the analysis of potential conflicts of interest, particularly those related to retrocessions.
- In accordance with the legislation, the Bank will not receive any pecuniary benefit in connection with its discretionary portfolio management services.

Investment Research

A Conflict of Interest may arise during the production and dissemination of investment research. Although the Group does not produce neither receives nor buys Investment Research, it nevertheless has in place an Inducements Policy which lays out the requirements surrounding such Investment Research in case it does.

Remuneration Practices

The remuneration and incentive system of the Group does not provide for any direct link between the remuneration of Staff Members principally engaged in investment and/or ancillary activities. Also, the remuneration practices applied for Staff Members do not cater for specific incentives to propose, subscribe or advise any specific financial instrument above another, which would be in detriment of the best interests of the customers. Incentives might exist but should be formulated in general volumes and/or objectives, not impacting in any way the interests of the customers.

In this context, the Group has established a Remuneration Policy, which gives more details and guidance about the remuneration of Staff Members.

Distribution of Securities

As part of the services it offers, a Group Company may act as sponsor and/or underwriter for securities offerings in the primary market. It may also be the case that the issuer is obtaining a credit from a Group company. A Conflict of Interest may arise in such scenarios. A Conflict of Interest may also rise as part of the pricing process. This might influence the Entity to act against the investors' interests, because of its interest in having a successful offering.

When a Group Company places its own financial instruments to its own Customers, including to deposit customers, the Group shall establish, implement and maintain clear and effective arrangements for the identification, prevention or management of the potential conflicts of interest that may arise in relation to this type of activity.

The Group has in place a Group Sponsorship, Financial Intermediation, Placement and Underwriting Policy which comes into play in any of the above-mentioned scenarios.

Disclosure of non-manageable MiFID Conflict of Interest

Where the organizational or administrative arrangements taken by the Group to prevent MiFID Conflicts of Interest from adversely affecting the interests of its customers are not sufficient to ensure, with reasonable confidence, that risks of damage to Customer interests will be prevented, the Group shall clearly disclose to the customer the general nature and/or sources of the MiFID Conflict of Interest and the steps taken to mitigate those risks before undertaking business on his behalf.

The disclosure of MiFID Conflict of Interest cannot, however, be used as an alternative for the development of appropriate measures for the prevention and management of identified MiFID Conflicts of Interest. This is a measure of last resort and will need the prior approval of the Compliance Department. Such disclosure, must:

- be made in a Durable Medium;
- include sufficient detail, considering the nature of the customer, to enable that customer to take an informed decision with respect to the service in the context of which the MiFID Conflict of Interest arises;
- clearly state that the organizational and administrative arrangements established by the relevant Group to prevent or manage that MiFID COI are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the Customer will be prevented; and
- outline the possibility both for the customer and the Group not to continue with the transaction / provision of Ancillary Services, in case such decision would mitigate (partially) the risks linked to such a Conflict of Interest

Disclosure of a summary of the Conflict of Interest policy

Each Group Company shall provide its (potential) Customers with a description, which may be provided in summary form, of its COI policy in good time before the provision of Investment Services or Ancillary Services. At the request of the Customer, the Group Company shall provide further details of the Conflicts of Interest policy. This information shall be provided in a Durable Medium. The Group Company shall notify its customers in good time about any material change to the Conflicts of Interest policy which is relevant to a service that the firm is providing to that customer.

This summary as well as the Policy itself and, more generally, any communication by the Bank relating to the Policy in the context of MiFID II regulations are made available to the Bank's customers for information purposes only. They do not constitute a contractual document between the Bank and its customers and therefore do not create any special rights for the latter vis-à-vis the Bank.