

Credit Europe Bank N.V. (hereinafter "Credit Europe") holds its customers' interests as a central and primary concern and this is reflected in the way Credit Europe conducts its business. Credit Europe being a provider of a wide range of services may from time to time have interests which potentially conflict with its customers' interests or with the duties that it owes to its customers. Therefore, Credit Europe is required to take all reasonable steps to maintain and operate effective organisational and administrative arrangements to identify and manage any potential conflicts of interests which entail a material risk of damage to customers' interests. In this respect, Credit Europe has drawn up a Conflicts of Interests Handling Policy (hereinafter "Policy"). This information sheet gives information on the Policy.

## Identification and Management of Potential Conflicts of Interests

A potential conflict of interest may for example arise between:

- the interests of Credit Europe and the customer;
- the interests of one customer and another;
- the interests of a customer and those of individual staff members of Credit Europe;
- the interests of Credit Europe and those of individual staff members of Credit Europe;
- the interests of Credit Europe and a provider of services to Credit Europe;
- one office of Credit Europe and another office of Credit Europe; or
- one office of Credit Europe and another Credit Europe group entity.

For the purpose of identifying a potential conflict of interest in a certain case, Credit Europe will consider all factual circumstances and will take into account whether Credit Europe, its staff member(s), or any office of Credit Europe:

- 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 which is distinct from the customer's interest in that outcome;
- has a financial or other incentive to favour the interests of one customer over another;
- carries on the same business as the customer; or
- receives from a third party not being a customer, any inducement other than the standard commission or fee for that service.

The above is not exhaustive, but it gives a broad indication of how to assess whether a potential conflict of interest has arisen or is likely to arise.

Each potential conflict of interest must be managed promptly and fairly. Therefore, as a minimum, Credit Europe has in place the following arrangements suitable for managing potential conflicts of interests:

- Generic arrangements for Credit Europe and its staff;
- Specific arrangements for the management of potential conflicts of interests of Supervisory- or Managing Board Members of Credit Europe. These specific arrangements are set out in a separate document which is also published on the website of Credit Europe.

The generic arrangements in place in Credit Europe for managing potential conflicts are listed below. Such list is only a summary, excerpt, and not exhaustive. Other appropriate arrangements for managing potential conflicts of interests might be considered.

- **Control of information.** Preventing/controlling the exchange of information between parties engaged in activities that carry a risk of a conflict of interest, by implementing information barriers. Credit Europe has established information barriers, i.e. "Chinese Walls", to control or prevent the flow of information between different areas of Credit Europe where the interests of a customer in one business unit may conflict with the interests of such customer in another business unit or with Credit Europe's own interests.
- **Separate supervision.** Subjecting staff on opposite sides of a conflict of interest to separate supervision where necessary.
- **Control over inappropriate influence.** Preventing any staff member from exercising inappropriate influence over another staff member. A possible means of control is establishing different reporting lines.
- **Segregation of duties.** Preventing/controlling the involvement of staff in simultaneous/sequential tasks because such involvement may impair the proper management of conflicts of interests.

- **Rules for effecting private investment transactions.** Staff of Credit Europe are subject to rules on private investment transactions. Such transactions should not conflict with the interests of customers or with the interests of Credit Europe. In the event of unavoidable conflicts, the interests of customers and the interests of Credit Europe prevail.
- **Pre-approval for outside activities (e.g. secondary employment).** Staff of Credit Europe are subject to rules designed to avoid conflicts of interests with activities they undertake outside Credit Europe, whether paid or unpaid.
- **Guidelines for handling gifts.** Staff of Credit Europe will not accept any gifts other than those considered of insignificant value and which meet the requirements for accepting gifts. Excessive gifts from customers and other third parties (and from Credit Europe to customers) may result in a potential conflict of interest.
- **Rules for accepting, soliciting or offering inducements.** Credit Europe does not accept, solicit or offer any inducements other than the following fees or commissions paid or provided to:
  - The customer or a person/entity acting on behalf of the customer;
  - A third party or a person/entity acting on behalf of the third party, where the following conditions are satisfied:
    - the fee, commission or benefit is clearly disclosed to the customer prior to the provision of the relevant service;
    - the payment of the fee or commission, or the provision of the non-monetary benefit is designed to enhance the quality of the relevant service to the customer and not impair compliance with Credit Europe's duty to act in the best interest of the customer;
  - Standard fees for the provision of services in financial instruments, such as custody costs and settlement fees which are in accordance with fair customer treatment.

Proper management of potential conflicts of interests requires that all information on mandates or in relation to transaction requests which may result in potential conflicts is treated with strict confidentiality.

## Clearing of Potential Conflicts of Interests

In order to avoid conflicts of interests within Credit Europe or with another Credit Europe group entity, a process for conflict clearance is to be maintained within all offices of Credit Europe.

## Disclosure of Conflicts of Interests

In some cases, Credit Europe's arrangements may not be sufficient to ensure that a potential conflict of interest does not damage a customer's interest. In these circumstances, Credit Europe shall clearly disclose the general nature and/or source of the conflict to the customer before undertaking business with him or on its behalf. The disclosure to customers is made with sufficient details so to enable that such customer can take an informed decision with respect to the service in the context of which the conflict arises/has arisen.

Where there is residual risk of damage to the interests of any customer, Credit Europe may refrain from acting with or on behalf of a customer.

## Credit Europe Bank N.V. – Malta Branch

143/2 Tower Road  
Sliema SLM 1604, Malta  
www.credit europebank.com | www.crediteurope.com.mt

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