

# Information on the Conflicts of Interests Handling Policy

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 appropriate steps to identify and to prevent or 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 of Potential Conflicts of Interests

A potential conflict of interest may for example arise between:

- the interests of Credit Europe and a 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 branch of Credit Europe and another branch of Credit Europe; or
- one branch of Credit Europe and a subsidiary of Credit Europe.

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 or of a transaction carried out on behalf of the customer which is distinct from the customer's interest in that outcome;
- has a financial or other incentive to favour the interests of another customer or group of customers over the interest of the customer;
- carries on the same business as the customer; or
- receives from a third party in relation to services provided to 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.

## Arrangements for Preventing or Managing Potential Conflicts of Interest

A potential conflict of interest should be avoided where possible. However, if a potential conflict of interest occurs, it must be managed promptly and fairly. Credit Europe therefore has, as a minimum, in place the following arrangements suitable for managing potential conflicts of interests:

- (i) Generic arrangements for Credit Europe and its staff, including Managing Board members and - if explicitly mentioned, Supervisory Board members of Credit Europe.
- (ii) Specific arrangements for the management of potential conflicts of interests in relation to related party transactions. These specific arrangements in relation to related party transactions and the management of potential conflicts of interests of Board Members are set out in the Related Party Transactions Policy.

The generic arrangements in place in Credit Europe for preventing or managing potential conflicts are listed below. It is understood that the below is not an exhaustive list and other appropriate arrangements for preventing or 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 to effectively 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 whose principal function involve carrying out activities on behalf of, or providing services to, customers whose interests may conflict, or who otherwise represent different interests that may conflict, to separate supervision where necessary.
- *Remuneration.* Removing any direct link between the remuneration of staff principally engaged in one activity and the remuneration of, or revenues generated by, different staff members principally engaged in another activity, where a conflict of interest may arise in relation to those activities.
- *Control over inappropriate influence.* Measures to prevent or restrict any staff member from exercising inappropriate influence over another staff member. For this, 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 prevention or management of conflicts of interests.
- *Rules for effecting private investment transactions.* Staff of Credit Europe and Supervisory Board members 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 and Supervisory Board members 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 or make any gifts other than those considered of insignificant value and which meet the requirements for accepting or making gifts.
- *Rules for accepting, soliciting or offering inducements (incentives).* Credit Europe does not accept, solicit or offer any inducements which impair compliance with its duty to act in the best interest of the customer or any person/entity acting on behalf of the customer. Inducements from third parties in relation to a service provided to the customer are acceptable only if:
  - a. the inducement is clearly disclosed to the customer prior to the provision of the relevant service;
  - b. the payment of either a fee or commission, or the provision of the non-monetary benefit is designed to enhance the quality of the relevant service to the customer.

For most of the generic arrangements detailed rules are included in separate internal guidelines or codes.

Proper management of potential conflicts of interests requires that all information on the matter is treated with strict confidentiality. Without strict confidentiality, information about potential conflicts may be misused by other customers and/or staff members of Credit Europe.

The compliance function of Credit Europe may become involved in managing or assessing potential conflicts of interests where there are overriding regulatory implications to be addressed.

## 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.

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Credit Europe Bank N.V. is registered with the Trade Registry of the Amsterdam Chamber of Commerce under no 33256675. Credit Europe is subject to the supervision of and is registered with the Dutch Central Bank (De Nederlandsche Bank N.V.) and the Authority for the Financial Markets (Autoriteit Financiële Markten).

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