

# Information on the Conflicts of Interest 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 takes all appropriate steps to identify and to prevent or manage any potential conflicts of interests which entail a material risk of damage to its customers' interests. In this respect, Credit Europe has drawn up a Conflicts of Interest Handling Policy (hereinafter "Policy"), which specifies the potential conflicts of interest that may exist in Credit Europe's business and the procedures and measures implemented in order to identify, prevent and manage such conflicts of interest. This information sheet reflects some highlights of the Policy.

## Identification of Potential Conflicts of Interest

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;
- 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.

## How do we prevent conflicts of interest?

In general, Credit Europe has the following measures in place to prevent conflicts of interest.

- *Control of information.* Effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more Customers;
- *Control over inappropriate influence.* Measures to prevent or restrict any employee from exercising inappropriate influence over the way in which another employee carries out services or activities. 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 its 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 its 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.

## How are conflicts of interest managed?

Credit Europe's employees and board members are at all times obliged to avoid situations which give rise or may give rise to the appearance or perception of a conflict of interest. Conflicts of interest which may not be avoided, must be managed promptly and fairly.

In case a Credit Europe employee or a Credit Europe board member ("Board Member") gets involved in a situation that gives rise to circumstances that could potentially be detrimental to the interests of Credit Europe and/or the customers, the respective Credit Europe employee or Board Member shall give notice thereof to Credit Europe's Compliance department. In addition, Board Members shall notify and provide all relevant information on the subject matter without delay to the chairman of Credit Europe's supervisory board and the members of the respective board which they are part of. The abovementioned obligations apply equally to Credit Europe employees and/or Board Members having a (supervisory) position in a Credit Europe group entity.

Credit Europe has in place specific arrangements for the management of potential conflicts of interest in relation to so-called related party transactions. These can be found in Credit Europe's Related Party Transactions Policy.

In addition, a Private Investment Transaction Policy is in place to manage private investments of employees. Furthermore, rules on gift handling and outside business activities are included in Credit Europe's Code of Conduct.

Proper management of any potential conflicts of interest 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 employees of the Credit Europe. Claims for damages from Customers, sanctions from Credit Europe's regulator(s) and damage to Credit Europe or even to Credit Europe Group could then result.

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, as a measure of last resort, 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 in a durable medium and includes 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.

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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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