

Conflict of interests policy

The amended law of 5 April 1993 related to the financial sector and the Grand-Ducal regulation of 13 July 2007 related to the organisational requirements and rules of conduct in the financial sector, as well as Directive 2014/65 EU of the European Parliament and of the Council of 15 May 2014 concerning financial instrument markets (hereinafter "MIFID II"), require credit institutions to take all reasonable measures to identify, control and manage conflicts of interests.

As a private banker, Delen Private Bank Luxembourg S.A. is mainly active in the domain of administration of assets and in the domain of securities transactions. The Bank is likely to encounter potential situations of conflicts of interests in the context of the normal execution of its activities. The purpose of this policy is to enable:

- providing a concrete definition of conflicts of interests;
- identifying, preventing and reducing conflicts of interests that are likely to occur, mainly by ensuring the integrity of the Bank's representatives and their independence as regards professional and private activities that are likely to generate conflicts of interests;
- concretely ensuring, if a conflict of interests occurs, that the interests of the Bank or of the clients concerned are not unfairly prioritised. This may involve a conflict of interests between the Bank and a client or a conflict of interests between multiple clients;
- informing the clients concerned, via a sustainable medium, about the general nature of conflicts of interests or, if need be, about the sources of such conflicts, as well as the measures taken to mitigate these risks.

This policy applies in the context of the Bank's provision of an asset administration service and/or an ancillary service. It applies to all types of conflicts of interests, both real and potential.

Definition of a conflict of interests

A conflict of interests may be defined as being a situation in which:

- the interests of the Bank, its managers or its employees may contradict or diverge from the interests of a client or a group of clients, or
- the interests of a client or a group of clients diverge between themselves, with the Bank having obligations to every one of its clients.

Situations likely to be the source of conflicts of interests are cases where, during the provision of investment services or ancillary services, the Bank or an employee:

- is likely to earn a financial profit or avoid a loss at the expense of the client;
- has an interest contrary to that of the client as regards the result of a transaction or service conducted for or in the name of a client;
- has a financial or other motivation to have the interest of another client or group of clients prevail over the interest of the client concerned;

- exercises a professional activity similar to that of the client;
- receives a benefit from a third party (in the form of money, goods or services) in the context of a service provided to the client, which does not correspond to the normal remuneration for this service.

Note that there may also be a conflict of interests between the interests of certain persons linked directly or indirectly to the Bank through a control relationship (e.g. another entity of the Delen Group) and those of the Bank's clients.

Mechanism for detecting conflicts of interests

The mechanism for detecting conflicts of interests comprises three main elements:

- the procedures and controls implemented to detect conflicts of interests,
- the inventory of situations likely to generate conflicts of interests,
- the appropriate training of staff, whose conduct is defined by a Code of Ethics.

Mechanism for preventing conflicts of interests

Protection of information: both at the physical level as well as at the procedural level, there is a separation between the various entities of the group to which the Bank belongs (Chinese Walls) as well as between the different activities of the Bank itself. These Chinese Walls have been set up to protect against inappropriate access to information related to the client or any other sensitive information (e.g. related to a possible case of insider trading).

Processing of confidential information: the following rules are applied by the Bank to process confidential information, especially information that could impact the markets:

- information related to clients is always processed with the appropriate level of confidentiality;
- the Bank will not provide confidential information to third parties unless it is obliged to do so by law or regulations, or if it is necessary for providing the service requested by the client;
- all privileged information is processed in accordance with the Bank's Code of Ethics.

Segregation of duties and tasks: the Bank takes the necessary measures to ensure that an employee is not simultaneously or successively assigned different jobs that are likely to create conflicts of interests.

Internal organisation and group organisation: The Bank's activities are organised such that the different departments and companies of the group can function independently from each other.

Order allocation policy: Delen Bank has implemented an order allocation policy that particularly describes the chronology in which the orders must be executed and the conditions that enable combining multiple orders.

Code of Ethics: All staff members and all other employees of Delen Bank are required to comply with the internal rules of conduct defined by the Bank as well as the procedure on transactions for personal accounts.

Staff training: the Bank trains all its employees on how to identify and manage conflicts of interests. It also familiarises them with the legal and financial risks as well as risks to reputation incurred by the Bank if a conflict of interest occurs, damaging one or more clients.

Remuneration: the Bank guarantees complete independence between the investment decisions and/or recommendations, and the remuneration of its staff.

Benefits: the Bank is organised such that the services provided to the client are not biased by any manner of benefits that may be received or paid by the Bank. Moreover, employees are subjected to strict rules defined by the internal rules of the Bank regarding gifts, services or other benefits received from a client or a supplier.

ESG : In order to maintain a high level of investor protection, the Bank has included in the types of conflicts of interest that could potentially impact a client's or potential client's interests, those that arise from the integration of the client's sustainability preferences.

Informing clients

When the organisational or administrative measures taken by the Bank to prevent or correctly resolve a conflict of interests are not sufficient to guarantee the prevention of the risk of harming the clients' interests, the Bank clearly informs them about the general type and/or source of these conflicts of interests, as well as the measures taken to mitigate these risks.

The information to the clients must include:

- A clear indication that the organisational and administrative arrangements set up by the Bank to prevent or manage conflicts of interests are not sufficient to ensure the complete prevention of the risks of harming the client's interests;
- A description of the conflicts of interests that occur during the investment service and/or ancillary services rendered. This description takes into account the type of client and includes an explanation of the general type and sources of these conflicts of interests as well as the risks resulting from conflicts of interests, and the measures taken to mitigate these risks. This description is sufficiently detailed to ensure that the client can take a decision in full knowledge of the cause related to the operation linked to the conflict of interests.

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