

Prevention policy, detection and management of conflicts of interest (June 2019)

Introduction

Preamble

ABN AMRO INVESTMENT SOLUTIONS, within the Neulize OBC Group (the Group) is committed to strictly applying the principles of prevention, detection and management of conflicts of interest in force within the ABN AMRO Group.

We are committed to providing services in the best interest of our customers. We want to ensure that conflicts of interest do not influence the behaviour of our employees.

This policy describes the general principles followed by the Group to identify, prevent, record and manage conflicts of interest that arise or may arise.

Policy objective

The Group offers a variety of financial services that may give rise to conflicts of interest that may harm the interests of clients and/or the Group or may negatively affect the behaviour of employees in the performance of their duties.

In compliance with the obligation to act honestly, loyally and professionally, our objective is to identify potential conflicts of interest in order to be able to avoid or manage them. We ensure that we maintain the trust of our customers by:

- avoiding and proactively managing conflicts of interest;
- complying with applicable laws and regulations and best practices regarding conflicts of interest.

Definition

A conflict of interest is a situation in which a natural or legal person has an interest (financial or other) that could influence it in a prejudicial manner and lead it not to act in the best interests of its clients or the Group.

A conflict of interest can be:

- proven (conflict between current interests),
- potential (possible conflict of interest in the future) or,
- apparent (a situation that may be perceived as a conflict of interest even if it is not part of the actual conflict).

Conflicts of interest can be professional or personal in nature.

A professional conflict of interest involves the Group or a person related to it and may arise as a result of the Group's structure (including its various entities) or its various activities. A professional conflict of interest may arise:

- or between the Group's interests (in particular its officers, employees, shareholders or any person directly or indirectly linked to the Group by a controlling relationship), on the one hand, and its customers, on the other hand;
- or between the interests of several clients;
- or between the Group's interests and those of a third party (suppliers, partners)

Personal conflicts of interest involve a conflict between the interests of an employee and those of the Group or its clients.

Personal conflicts of interest may arise due to financial, social, family or other interests of the employee that interfere with his or her professional responsibilities to the Group. Examples of situations that may give rise to a personal conflict of interest are outside activities, personal transactions and investments, gifts offered or received as incentives....

Scope of application

This policy applies to all employees (internal or external) of the Group, including employees, as well as any third parties acting on behalf of the Group.

General principles

Management of professional conflicts of interest

The proper management of conflicts of interest is a matter of governance and good conduct. In this regard, the Group is committed to:

- act honestly, loyally and professionally in the best interests of clients;
- establish, implement and maintain an effective policy for the prevention, detection and management of conflicts of interest;
- implement and maintain effective organizational and administrative arrangements to take all appropriate measures to identify and prevent conflicts of interest from harming clients' interests;
- provide clients or prospects, in good time before the services are provided, with a summary of the conflict of interest policy (available on the website), and at their request, the policy itself;
- identify, assess, prevent or manage conflicts of interest;
- as a last resort, where conflict management measures are not sufficient to provide reasonable assurance that risks to clients' interests will be avoided, inform the client in sufficient detail, before undertaking activities on its behalf, of the general nature and sources of the conflict of interest and the measures taken to mitigate such risks;
- maintain a conflict of interest register to record all investment, related or other services performed by the Group for which a conflict of interest may arise or has occurred;
- report regularly to the Managing Board on the situations covered by this register, at least annually;
- Inform the Managing Board for decision in case of disagreement between different departments (in case of disagreement with Compliance, the escalation procedure applies).

The Group's approach to preventing and managing conflicts of interest is organised around internal rules, monitoring and control measures, as well as training and awareness-raising activities.

These measures include the Compliance Charter, the Code of Ethics, information barriers (China Walls) and awareness and training campaigns. This is to ensure that we continuously identify, analyze, prevent and manage conflicts of interest.

Identify professional conflicts of interest

The Group takes all reasonable measures to identify potential conflicts of interest before engaging with a customer and during the customer relationship.

- To identify conflicts of interest, we take into consideration all circumstances concerning a potential business relationship and take into account the fact that the Group or an employee:
 - is likely to realize a financial gain, or avoid a loss, to the detriment of a customer;
 - has an interest in the result of the service provided to the client or a transaction carried out on behalf of the client that differs from the client's interest;
 - is encouraged to favour one client or group of clients over another;
 - receives or will receive an advantage from a person other than the client in connection with a service provided to the client. This benefit may be monetary or non-monetary, in the form of goods, services or entertainment;
 - is encouraged to favour its own interests over those of a client when the Group or the employee:
 - o has the same professional activity as the client;
 - o is encouraged to provide the client with partial investment advice or investment research; or
 - o will benefit from a higher volume of business with the client.

Conflict of Interest Catalogue

Using the above criteria and its experience, the Group has established a reference catalogue of activities that give rise to or may give rise to conflicts of interest in order to facilitate their management.

When providing services to our clients, (potential) conflicts are identified, evaluated and recorded in the catalogue. If the conflict of interest is included in the catalogue and the risk mitigation measures provided for in the catalogue are sufficient to avoid this conflict, then these measures are taken. Otherwise, this new conflict is recorded in the register of conflicts of interest by assessing the best course of action to be taken, with an emphasis on preventive and management measures.

Prevent and manage conflicts of interest

Internal rules and separation of functions

The management of risks, such as conflicts of interest, within the Group and the ABN AMRO Group is governed by the "3 lines of defence" model, which provides that :

- first-level controls are the responsibility of the operational, commercial and financial departments. They are involved in identifying the management of conflicts of interest and resolving them as they arise;
- second-level controls are the responsibility of dedicated teams, independent of operational, commercial and financial departments (Internal Control, Compliance, Safety);
- Third level controls are the responsibility of the Internal Audit.
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Roles and responsibilities

Management

The Managing Board is responsible for overseeing the identification, registration and escalation of conflicts of interest when they occur in their various areas of responsibility. They must promote a culture that emphasizes the ethical treatment of clients and the fair management of conflicts of interest.

Employees

Employees are responsible for identifying and managing conflicts of interest on a daily basis and for complying with this policy and the rules and other procedures relating to the identification, registration, escalation and management of conflicts of interest. All employees must quickly escalate any potential conflict of interest issues to their manager or to Compliance so that the potential conflict can be analyzed, managed and resolved. Senior management is subject to the same requirements as employees.

Controls

Level 1 and 2 controls have been implemented to help prevent and manage conflicts of interest. The control system includes reporting on the effectiveness of policies and procedures relating to conflicts of interest.

Confidentiality and information barriers

Employees are subject to banking secrecy and the obligation to keep customer information confidential, which they must neither communicate nor use inappropriately.

In sensitive cases, information barriers have been put in place to prevent inappropriate disclosure of information within the Group (separation of premises, personnel, reporting lines and IT files and systems).

Training

Employees are regularly trained in the risks of conflicts of interest.

Information

The existence and nature of minor non-monetary benefits are described in the annual portfolio statements:

"Our employees are likely to give and or receive invitations to seminars or information meetings with meals or low-value gifts from third parties, such as producers of financial products, brokers, CGPs, etc. (these gifts may, however, be rejected in the event of a potential conflict of interest or if they are deemed inappropriate). They may also receive information or documents relating to non-substantial financial instruments or market analyses from third parties."

Examples of measures taken to prevent and manage conflicts of interest:

- information barriers, or China Walls, to prevent and control the exchange of information between persons involved in activities that could create a conflict of interest;
- measures on personnel management;
- measures on staff remuneration;
- measures to prevent or prevent any person from improperly influencing the exercise of the Group's investment services or activities;
- measures to prevent or control the simultaneous participation of a person in separate investment services or activities where such participation is likely to result in conflicts of interest;
- measures relating to the regulation, or even prohibition, of monetary or non-monetary incentives (Inducements).

Communication of the conflict of interest to the client or failure to provide the service

The Group may decide not to provide the service to the customer, or to stop providing it, if no preventive or management measures are in place to avoid the risk of harm to the customer.

As a last resort, only when measures have been taken/can be taken but do not seem sufficient to ensure with reasonable certainty that the risks of harming customers' interests will be avoided, the Group may decide to inform the customer of the conflict of interest by providing the following information prior to the provision of the service and on a durable medium:

- the nature and source of the conflict of interest;
- the risks associated with it;
- the measures taken to mitigate these risks; and
- a statement that the measures taken are insufficient to ensure that the risks of harming the interests of clients are avoided.

This information must be sufficiently clear and complete to enable the client to assess the conflict and make an informed decision to either terminate or continue the service/operation concerned. In the latter case, its express consent must be obtained.

Management of personal conflicts of interest

Personal conflicts of interest include situations where:

- an employee acts on behalf of the Group but in the best interests of himself or his family (for example, by contracting with a family company rather than another company that would have been more suitable for the Group);
- an employee, or a close relative, uses the professional environment to receive an inappropriate or contrary benefit / which may harm the Group's interests (for example, accepting a gift from a service provider in order to favour the latter in a competitive bidding process);
- an employee's loyalty or financial dependence on other persons or organizations may impair his or her

objectivity, so that the employee performs his or her duties for the Group in a manner that is biased or detrimental to the Group. For example, an external employee working part-time for the Group and another bank or management company.

In the performance of their duties, Group employees must always follow the following fundamental principles, in accordance with our Code of Ethics:

- act honestly, loyally and professionally in the best interests of clients;
- strive to prevent conflicts of interest, and work in accordance with conflict of interest policies and procedures;
- take all appropriate measures to identify any real, potential or apparent conflict of interest that arises before or during the course of his professional activity and report it to the Compliance Department;
- assess and mitigate the risks of a conflict of interest as much as possible.

Other principles to avoid personal conflicts of interest are as follows:

- Separation of personal and professional interests
- Employees must keep their professional and personal activities separate in order to avoid a conflict of interest, even if only apparent, with their duties to the Group, its customers, a counterparty or another third party.

Duty of care towards customers

Employees must have the competence, knowledge and expertise required by their professional activity and must act in a professional, honest, loyal and transparent manner.

When providing investment services, employees act in the best interest of the client.

Respect for banking secrecy and management of confidential information

Employees must protect the confidentiality of information entrusted to them by customers.

Employees respect the information barriers put in place between departments, entities and/or teams and respect the rules for the management of confidential information.

External influence

Employees ensure that business relationships are based strictly on sound and fair business decisions.

They exercise a judgment based on a fair review of all relevant information and views, without undue influence or consideration of inappropriate external interests.

Transactions with related third parties

Employees engaging in transactions with related parties such as shareholders, members of the Supervisory Board, or members of the Management Board, do so independently, each party representing its interests, without exercising influence on the other. Such transactions must have been recorded in the register of conflicts of interest and evaluated, and must not prejudice either the Group or its clients.

External interests

Employees who have non-professional interests in common with clients must refrain from making decisions when they are concerned by a conflict of interest that complicates the performance of their duties within the Group.

Employees with external interests are not involved in managing or monitoring any business relationships related to these interests. Otherwise, appropriate safeguards must be put in place to manage conflicts of interest.

Stakeholder relations

Interested parties are those parties within the Group who have a direct or indirect interest in the results of the Group's business activities. Interested parties shall refrain from voting and making decisions if they have a conflict of interest that renders them unable to properly discharge their duties to the Group or its clients. If the conflict of interest is not of an exceptional but recurring nature, the Group considers alternative measures, including permanent exclusion from decision-making bodies or recourse to other

members. Interested parties are not involved in the management or monitoring of the business relationship in which they have an interest unless appropriate safeguards are in place to help manage the risk.

Gifts & Gifts

The Group's Gifts and Benefits policy describes the rules and principles governing the acceptance and provision of gifts and other benefits, so that they do not interfere with the duty of employees to act in the best interests of the customer or the Group.

Outdoor activities

The Group's "External Activities & Private Investments" policy describes the rules and principles that ensure that employees' external activities do not conflict with their professional activities within the Group.

Personal transactions

Employees' personal transactions in financial instruments on their own account are governed by policies and procedures to ensure that such transactions do not constitute market abuse and that conflicts of interest related to such transactions are appropriately managed.

Remunerations

His remuneration can influence the behaviour of an employee. The Group has implemented compensation policies and procedures to prevent the use of compensation structures that could encourage employees to act against their responsibilities, regulatory requirements or the Group's Code of Conduct