

## CONFLICT OF INTEREST POLICY

### 1. Introduction

In the exercise of its financial activity, EFG Bank (Luxembourg) S.A., (hereafter “the Bank”), may periodically face actual and potential conflicts of interest, i.e. situations where the interests of the clients, the bank, its employees, including its Authorized Management, or its commercial and market counterparties compete between themselves and could result in a significant disadvantage for one of the parties.

The manner in which conflicts of interest are identified and handled are of great importance for the confidence clients and investors place in the Bank and for its reputation.

This Policy sets out the manner in which conflicts of interest should be identified, prevented when possible and handled by the concerned parties.

### 2. Identification of conflicts of interest

All employees are required to take all reasonable steps to identify conflicts of interest which may arise and should take all reasonable steps to prevent or mitigate the conflict of interest or its effect. The Bank shall implement a methodology of identification and analysis of conflict of interest situations.

The Compliance department shall assist the other departments in the identification of potential conflicts of interest and is responsible for monitoring them.

The Bank shall maintain a conflict of interest register, which shall set out all existing potential or actual conflicts of interest and the procedure for managing and mitigating them. The register shall be updated by Compliance as the need arises and shall be reviewed at least annually.

The receipt or payment by the Bank of an inducement (= fee, commission or any non-monetary benefit) could place the Bank in a situation where it would not be acting honestly, fairly and professionally and in accordance with the client's best interests. Therefore, inducements constitute a particular type of conflict of interest which shall be dealt with, in line with the MiFID requirements, regardless whether they are paid to or received by a Group entity or an external person/entity.

### 3. Reporting and escalation

Any party who becomes aware of a potential or actual conflict of interest or becomes a conflicted person shall report immediately the potential or actual conflict of interest to the Compliance function in accordance with the procedures set out by the Authorized Management.

The Compliance function will enter non material conflicts of interests into the register, including measures taken in order to manage it fairly and appropriately.

Conflicts of interests, which are material in nature, either by impact on the concerned Client, potential value or potential reputational risk, the Compliance function will escalate it

- to the Authorized Management, who will decide on the appropriate course of action or escalate to the Board of Directors if deemed necessary; to Group Compliance, to whom it functionally reports.

The Compliance function always has the possibility to address issues directly to the Board of Directors in case where necessary (e.g. if management members are potentially or actually conflicted persons).

#### **4. Disclosure**

If the arrangements put in place to manage conflicts of interest are not sufficient to ensure with reasonable confidence that the risk of damage to the interests of a party will be prevented, the general nature and sources of the conflict of interest must be disclosed to the involved parties.

#### **5. Responsibilities**

It is the responsibility of the Authorized Management to ensure that the Bank organises itself, designs and implements the procedures and measures described within this policy to ensure that potential or actual conflicts of interest are managed fairly and properly. This includes training employees to ensure that they are able to identify situations where conflicts of interest may exist and report them to Compliance.

The Compliance function is responsible for the ongoing maintenance, review and monitoring of the Conflicts of Interest Procedures.

It shall further ensure that all clients receive appropriate information on the Bank's Conflict of Interest Policy.

#### **6. Policy amendments and date of implementation**

Any amendment to the Conflict of Interest Policy must be duly approved by the Board of Directors and promptly disclosed to all Employees.

This policy applies with immediate effect.

Approved by the Bank's Board of Directors on March 21<sup>st</sup>, 2014