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Wealth & Securities

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Conflicts of Interest Policy

Version n°10
Approved at the meeting of the Board of Directors of Banque de Patrimoines Privés on March 19th, 2025.

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1. INTRODUCTION

Banque de Patrimoines Privés S.A. ("BPP" or the "Bank") has implemented a, Conflicts of Interest Policy (the "Policy") establishing all reasonable steps to maintain and operate effective and adequate organizational and administrative arrangements to identify, assess, manage, mitigate or avoid any existing or potential Conflicts of Interest. The Bank must always act in the best interest of its clients and in its own interests.

Conflicts of Interest may arise between the Bank's Board members, authorised management, managers, employees and tied agents (hereinafter referred as "subject persons"), or any person directly or indirectly linked to those persons (hereinafter referred as "related parties"). Conflicts of interests may also arise when receiving inducements/incentives from third parties in the context of investment services to clients.

In this sense, the Bank shall identify, manage fairly and effectively, to the best of its ability, any actual, potential or apparent conflicts of interest and ensure appropriate disclosure for complete transparency.

Any violation of the principles and rules laid down in this Policy will be reported to the Authorized Management and may lead to disciplinary actions, up to dismissal.

2. OTHER LINKED POLICIES AND REFERENCE DOCUMENTS

This Policy shall be read together with the following policies and procedures of the Bank:

- Whistleblowing policy.
- Remuneration policy.
- Inducement policy.
- Internal corporate governance policy.
- Gifts and entertainments policy; and
- Group Code of Ethics.

3. SCOPE OF APPLICATION

This Policy is applicable to:

- the Board of Directors.
- the Authorized Management.
- all other employees of the Bank.
- any tied agent, if any.
- any person directly or indirectly linked to the Bank as part of a business relationship.

In the scope of this Policy, “related parties” means:

a) Spouse of the subject persons with a similar emotional relationship.

b) Children in the care of the subject persons.

c) Other family members who have lived with or depended on the subject persons for at least one (1) year before the date of the operation.

d) Any person or any legal fiduciary business in which the subject persons hold a managerial position or whose management they are entrusted with:

- which is directly or indirectly controlled by the subject persons.
- which has been created for its benefit; or
- whose economic interests are substantially equivalent to those of the subject persons.

e) Interposed persons, understood as those who act in their own name, but on behalf of the subject persons. This condition is presumed in those in which the subject persons leave the operations carried out totally or partially covered by the inherent risks.

f) Any other natural or legal person who has, directly or indirectly, a control relationship with the Bank.

The purpose of this Policy is to ensure that the Bank:

- has identified circumstances which may give rise to a Conflict of Interest entailing a risk of damage to the interests of clients or prospects and of its own interests.
- has established appropriate mechanisms and procedures to manage these Conflicts of Interest; including a log with all potential conflicts of interest and their mitigating measures and
- maintains procedures designed to prevent any damage to interests of clients / prospects or the Bank through any identified Conflict of Interest.

This Policy specifies the procedures to be followed and measures that have been adopted to prevent any such potential Conflict of Interest from arising or, where they do arise, from adversely affecting the interests of clients / prospects or from any potential impact on the Bank. In addition, this document also outlines the reporting lines and escalation procedures to be followed when a conflict of interest is identified, along with the potential disciplinary sanctions that may be imposed by the Bank.

4. CONFLICT OF INTEREST DEFINITION

A Conflict of Interest, for economic, personal, professional or political purposes, whether they are persistent or linked to a single event, may arise between:

a. **the Bank and a client:** potential Conflicts of Interest may arise between the interests of a client and the Bank’s interests. These types of conflicts include situations where the Bank may be favoured at the expense of a client.
b. **two clients:** potential Conflicts of Interest may arise between different clients if one of them is favoured compared to another. This may have a negative impact on the other client.
c. **an employee and a client:** potential Conflicts of Interest may occur where the employee’s interests and the client’s interests are aligned.

d. **the Board of Directors / the Authorized Management and the Bank:** the members of the Board of Directors / Authorized Management may have external mandates that may lead to potential Conflicts of Interest[1][2].

e. the Bank and other Group's entities.

f. the Bank / an employee and a service provider / third-party subcontractor.

g. **the interests of an investment vehicle, of the share/unitholders and of the Bank** acting as Depositary bank.

In addition to current situations and events which may result in Conflicts of Interest, those in the recent past that could have a potential impact on the institution or person concerned, shall be taken into consideration.

5. PROCESS OF IDENTIFICATION AND MANAGEMENT OF POTENTIAL OR EXISTING CONFLICTS OF INTEREST

When the Bank identifies various types of potential or existing conflicts of interest, including but not limited to those arising in the provision of investment or auxiliary services, and determines that such conflicts may adversely affect the client's interests, particularly in situations involving the Bank, its employees, representatives, or any person directly or indirectly connected to the subject persons through a control relationship:

a) is likely to make a financial gain, or avoid a financial loss, at the expense of a client or a prospect.

b) has an interest in the outcome of a service/activity provided to a client or a prospect or of a transaction carried out on behalf of a client, which is distinct from the interest of the client in that outcome.

c) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client.

d) is involved in the same transaction for more than one client.

e) carries out the same activity as a specific client; and

f) receives or will receive from a person different from the client an inducement with respect to an investment activity/service provided to the client, in the form of monetary benefits, goods or services other than the standard commission or fee for that activity/service.

5.1. Role of each employee of the Bank

Where an employee of the Bank becomes aware of circumstances that may or may have constituted a Conflict of Interest situation, which is or was likely to have an impact on the interests of a client / prospect, the Bank or any counterparty of the Bank, the employee must disclose promptly, in writing, and <u>on their own initiative</u>:

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[1] That also includes any financial interest, investment, any transaction or services offered by BPP and/or by Crèdit Andorrà Group.

[2] Regarding the external mandates, the specialised committee "Nomination and Remuneration Committee", is the commission in charge to deliberate on potential or existing conflicts of interests.

- to his/her immediate superior, and
- directly to the Compliance function without undue delay.
- In addition to the prompt declarations to be done, a self-declaration is required to every employee of the Bank on an annual basis. Please refer to the Appendices of this Policy.

Each employee of the Bank shall pay close attention to any potential Conflict of Interest that may arise from the Bank's business activity.

The members of the authorised management who are subject to a Conflict of Interest, shall promptly inform the Board of Directors, on their own initiative, as well as the Compliance function.

5.2. Role of the Compliance and Risk functions of the Bank

The Compliance function shall:

- advise the Bank's concerned employees and Authorized Management on any potential or existing Conflict of Interest.
- advise the Authorized Management on the materiality of the identified Conflicts of Interest, based on the information provided by the department who identified the Conflict of Interest.
- assist in the definition of measures to be taken to manage and mitigate any Conflict of Interest.
- be kept informed of any existing or potential Conflicts of Interest and be considered as the key contact of all the Bank's employees on this subject.
- ensure the conflict-of-interest Policy is available to all employees and clients.
- once notified, inform the Authorized Management accordingly.
- assist and advise the Authorized Management in the annual review process.
- maintain and keep up to date the conflicts of interest register.
- keep up to date the document "examples of conflicts of interests and measures to be taken".
- raise awareness of the Bank's employees about the significance of compliance and related aspects, including the Conflicts of Interest.

The Risk Management function, through the "New Products and Activities Committee", ensures that the analysis of any existing or potential Conflict of Interest is performed during the launch of a new activity or product as well as it is involved in the assessment of the Bank's risk exposure linked to the Conflicts of Interest identified and reported to the Compliance function.

In this sense, this control function focuses on assessing, mitigating, and monitoring risks that could adversely affect the Bank. This includes, but not exhaustively:

- assess and manage risks of the Bank (i.e. financial, non-financial and operational risks).
- Focus on ensuring the Bank achieves its objectives while staying within its risk appetite.
- Develop and monitor risk management frameworks related to the Conflicts of Interest issues.
- For the potential Conflicts of Interest, the function shall calculate the risk-taking vs. the risk avoidance and present the results for the Compliance function.

- Foster collaboration through shared frameworks to ensure regulatory risks are part of the overall risk profile of the Bank.

5.3. Role of the Authorized Management of the Bank

The Authorized Management shall ensure that any existing or potential Conflicts of Interest related to the Bank's business activity (including the day-to-day operational activity, any new product / activity, etc.) are adequately identified and managed.

Once informed by the Compliance function of a potential or existing Conflict of Interest, the Authorized Management of the Bank may report it, without undue delay, to the Board of Directors for decision on actions and measures to be taken to mitigate the identified Conflict of Interest.

In addition, members of the Authorized Management, who are subject to this Policy, shall promptly inform the other members of the Authorized Management as well as the Board of Directors on their own initiative of any existing or potential Conflict of Interest situations they may be involved in. These members shall abstain from participating in the decision-making processes where they may have a Conflict of Interest or which prevent them from deciding with full objectivity and independence. This shall be reflected in the minutes of the Executive Committee's meetings, among others. A copy of these minutes shall be sent to the Compliance function of the Bank.

Besides, on an annual basis and in addition to the self-declaration referred to in section 5.1, the Authorized Management will have to fulfil a specific questionnaire on the organization of the Bank's activity to ensure that any existing or potential Conflict of Interest are adequately identified and managed. This questionnaire will have to be signed by each Authorized Manager and provided to the Compliance function.

Moreover, the Authorized Management will have to inform immediately the Compliance function as soon as a new Conflict of Interest is identified due to a significant change[3] impacting the nature of the Bank's activity.

Regarding existing or potential Conflicts of Interest impacting other Group's entities, the Authorized Management shall coordinate with them to define and implement an adequate strategy to manage and mitigate any identified Conflicts of Interest.

5.4. Role of the Board of Directors

Members of the Board of Directors of the Bank shall ensure that their respective mandates or interests remain compatible with any other function, position or interest they may have in terms of Conflicts of Interest and availability.

Members of the Board of Directors of the Bank shall promptly inform the Authorized Management and the other Board members on their own initiative of any existing or potential Conflict of Interest situations they

[3] Significant changes refers to any substantial update or modification in the information provided in a previously submitted self-declaration which could include new or altered circumstances that might affect the individual's impartiality, objectivity, or professional responsibilities. Please refer to the Appendices of this Policy regarding the self-declaration templates.

may be involved in[4]. These members shall abstain from participating in the decision-making processes where they may have a Conflict of Interest or which prevent them from deciding with full objectivity and independence.

This point shall be reflected in the minutes of the Board of Directors' meetings. A copy of these minutes shall be sent to the Compliance function.

Each member of the Board of Directors shall inform the other members of his/her potential personal interests and of the interests of any related natural and legal person.

Conflicts of Interests involving related parties

The business relationships with any other Group's entities (hereafter also referred as "related parties") are subject to the Board of Directors' approval where they have or may have, individually or on an aggregate basis, a significant and negative impact on the Bank's risk profile or when a personal transaction has a significant influence on all the transactions with the related parties.

Any material changes in the significant transactions[5] carried out with related parties shall be brought to the attention of the Board of Directors without undue delay.

Transactions with related parties shall be carried out in the Bank's interest. The Bank's interest is not met where transactions with related parties:

- are carried out on less advantageous terms for the Bank than those which would have applied to the same transaction carried out with a third party (at arm's length);
- impair the solvency, liquidity situation or risk management capacities of the Bank from a regulatory or internal point of view.
- exceed the risk management and control capacities of the Bank.
- are not part of the standard activities of the Bank; or
- are contrary to sound and prudent management principles in the interest of the Bank.

5.5. Role of other departments

Corporate & Fund Services

The Corporate and Fund Services will establish, implement and maintain an effective Conflicts of Interest register covering the specificities related to Undertaking for Collective Investment ("UCI")[6] the Bank provides services to. This register will be set out in writing and will consider the business activity nature, complexity and its size.

This register aims to minimise the potential risk of Conflicts of Interest, by way of appropriate segregation of duties and activities. The Corporate and Fund Services department shall, in its risk analysis of Conflicts of Interest, identify and assess the risks arising from that Bank's activity.

[4] The self-declaration form is included in the Appendix II of this Policy.
[5] Material changes should be understood to mean "significant changes".
6 BPP provides administrative and domiciliation services to other investment vehicles and companies (SCSp, GP, SPV).

The Conflicts of Interest for “UCIs” in Luxembourg arise when competing interests of stakeholders (e.g., fund managers, investors, service providers or related parties), risk undermining the fairness, transparency, or proper management of the fund, for example[7]:

- Excessive charges or undisclosed fees to the UCI, which the Bank may benefit itself from the expenses of investors.

It shall maintain and regularly update the register with the types of activities and clients that could potentially present a conflict of interest. This record shall cover the following items:

- Description of the Conflict of Interest (whether potential or actual).
- Identification of the persons or units within Corporate and Fund Services concerned by the Conflict of Interest.
- Date on which the Conflict of Interest occurred or was discovered.
- Potential or actual impacts of the Conflict of Interest.
- Description of the envisaged solutions and chosen measures, including the dates of their implementation and resolution; and

Where appropriate, arrangements for informing investors, including the date of such communication to investors

Afterwards, this information shall be shared with the Compliance function and disclosed to the Authorized Management, and where appropriate and relevant, to investors to prevent them from adversely affecting the interests of those parties.

The ***Internal Audit function***, as part of the internal audit plan, performs a review of the Conflicts of Interest register and of the management process of Conflicts of Interest.

The ***Human Resources function*** of the Bank provides any new employee with a set of documents, including this Policy, the whistleblowing policy and the code of conduct (amongst other documents). Each new employee must sign a declaration stating that s/he acknowledges and understands these documents and commits him-/herself to consult any subsequent updated versions available on the Bank’s intranet.

In addition, the ***Corporate Secretary*** shall establish a special report reflecting the transaction(s) submitted to the approval of the Board of Directors and in which any director faced a conflicting situation. This special report shall be presented to the shareholders meeting following the said Board of Directors’ meeting(s), in accordance with the article 17 of the Articles of Association of the Bank.

6. MEASURES ADOPTED TO PREVENT CONFLICTS OF INTEREST

The measures adopted by the Bank to prevent conflicts of interests are as follows:

a. Effective procedures to prevent or control the exchange of information between persons who participate in activities which could imply a risk of Conflict of Interests, when such exchange of information could diminish the interests of one or more clients. For example, the

[7] Refer also to the Appendix I section: Conflicts between the interests of a UCI, IFM, share/unit holders, Depositary Bank and of the Bank acting as a Central administration.

implementation of information barriers to control the exchange of information between the employees, physical separations and the supervision of contacts between and within those areas where special or privileged information may arise.

b. The separated supervision of the persons whose principal functions are the fulfilment of activities or the provision of services on behalf of or in favour of clients with opposite interests, or that represent somehow different interests that might imply a Conflict of Interest, included those of the company. As for example:
    i. the direction and supervision of employees of the Bank made by different and separated reporting lines.
    ii. suitable segregation of functions and activities, as required by the CSSF circular 12/552, as amended, including through the management of information access and the use of Chinese walls.
c. Measures to limit the possibility that any person could exercise an inadequate influence on the form in which another person carries out investment services or activities or auxiliary services.
d. Measures in order to prevent or control the simultaneous or consecutive participation of a person in different investment services or activities or auxiliary services when such participation could diminish the suitable management of the Conflicts of Interests.
e. To implement formative sessions regarding the management of Conflicts of Interest to ensure a fair treatment of clients.
f. To control the personal investments and business activities of employees, and of the gifts that could be offered by, or received from them[8].
g. Prohibition of certain practices associated with situations that may lead to market abuse, as the front-running.
h. Establishment of procedures for a fair assignment of clients' orders, by means of systems of implementing recording systems in order to identify situations where a Conflict of Interest may arise.

7. DISCLOSURE OF A CONFLICT OF INTEREST TO A CLIENT OR PROSPECT

The disclosure of a Conflict of Interest to a client or a prospect shall be considered as a measure of last resort to be used only where the organizational and administrative arrangements established by the Bank to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client are prevented.

[8] In this regard, employees are informed about the prohibition to make improper use of information acquired by virtue of his/her position, irrespective of whether such employee or any associated person (i.e. immediate family members), would gain a personal advantage directly or indirectly. Regarding the gifts and entertainments, please refer to the applicable gifts and entertainments policy of the Bank.

The disclosure of conflicts of interest by the Bank does not exempt the latter from the obligation to maintain and operate effective organizational and administrative arrangements.

The disclosure shall include a specific description explaining the general nature and sources of Conflicts of Interest that arise in the provision of the discretionary portfolio management and execution only services, as well as the risks to the client that arise as a result of the Conflicts of Interest and the steps undertaken to mitigate these risks, in sufficient details to enable that client to take an informed decision with respect to the investment service in the context of which the Conflicts of Interest arise.

In accordance with the foregoing, if this situation occurs, the concerned department shall inform the Compliance function of the Bank and submit a draft communication for review prior to sending to the client. This communication shall be clear, fair and not misleading.

In this regard, a model of communication to the client or the prospect is at disposal.

Once the communication is duly approved internally by the Authorized Management and provided to the client or the prospect, it shall be kept and stored by the Compliance function of the Bank.

8. REGISTRATION OF CONFLICTS OF INTEREST

The Bank maintains and keeps up to date, on an on-going basis, a register of any potential or existing Conflicts of Interest identified with respect to the Bank’s business activity.

The Authorized Management shall ensure, at least on an annual basis and where necessary on an *ad hoc* basis, an escalation to the Board of Directors, including, *inter alia*, any new existing or potential Conflicts of Interest identified and the measures taken to manage and mitigate them.

9. LIABILITY, CIRCULATION, UPDATE AND CONTROL OF THE POLICY

The Compliance function of the Bank will ensure the update of the Policy at least once a year or when deemed necessary. Likewise, this function will be the responsible of its wide circulation to the areas affected within the Bank, coordinating the formative sessions and assuring its implementation.

The Bank will provide its clients with a description of this Policy. Nevertheless, upon client’s request, the Bank will provide them with a detailed version of such Policy on a durable form or on the Bank’s website.

10. APPLICABLE LEGAL AND REGULATORY FRAMEWORK

Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities;
Commission Delegated Regulation 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision:

Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries:
Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU;
Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU;
Grand-ducal Regulation of 30 May 2018 on the protection of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary benefits;
Law of 5 April 1993 on the financial sector, as amended;
Law of 15 June 2004, as amended, on Investment Companies in Risk Capital (SICAR);
Law of 13 February 2007, as amended, on Specialized Investment Funds (SIF);
Law of 17 December 2010 on undertakings for collective investment, as amended;
Law of 12 July 2013 on Alternative Investment Fund Managers (AIFM);
Law of 10 May 2016 transposing Directive 2014/91/EU (UCITS V);
Law of 23 July 2016 on Reserved Alternative Investment Fund (RAIF);
CSSF circular 16/644 of 11 October 2016, as amended, on provisions applicable to credit institutions acting as UCITS depositary subject to Part I "and UCIs subject to Part II" of the Law of 17 December 2010 relating to undertakings for collective investment and all UCITS, where appropriate, represented by their management company;
CSSF circular 07/307 of 31 July 2007, as amended, on MiFID: Conduct of business rules in the financial sector (being reviewed at the moment of issuance of the policy);
CSSF circular 12/552 of 11 December 2012, as amended on Central administration, internal governance and risk management.
CSSF circular 22/811 of 16 May 2022, on Authorisation and organisation of entities acting as UCI administrator

The above list is not exhaustive and only points out the major legal and regulatory framework the Bank is subject to with respect to Conflicts of Interest.

11. HISTORY

Version n°	Date	Author	Modification
1	12/08/2016	Bertrand ROCHE	Inception
2	21/03/2017	Bertrand ROCHE	
3	06/12/2017	Bertrand ROCHE	
4	21/03/2018	Bertrand ROCHE	
5	20/11/2019	Jérôme GOEPFERT	Amendment to fully reflect requirements of the applicable legal environment and other policies of the Bank / Conversion to the Bank's policies' template
6	24/02/2020	Jérôme GOEPFERT	Amendment so as to reflect the requirement of article 17 of the Articles of Association of the Bank
7	25/09/2020	Jérôme GOEPFERT	Update of the references to other policies and adaptation of the frequency of some diligences
8	08/10/2021	Stelvio Solito	Amendments to reflect circular CSSF 20/759
8	22/11/2022	Stelvio Solito	Amendments to reflect circular CSSF 22/811
9	February 2025	Jonathan STARA	Full review

12. APPENDICES

- Appendix I - Example of conflicts of interests and measures to be taken;
- Appendix II - Conflicts of interest's questionnaires dedicated to the Authorized Management only;
- Appendix III - Register of conflicts of interest
- Appendix IV - Self-declaration of conflicts of interest;
- Appendix V - Form of communication of conflicts of interest.