

Information on the management of conflicts of interests within Bank CIC (Switzerland) Ltd.

1. Introduction

In the course of providing financial services to its clients, Bank CIC (Switzerland) Ltd. (hereinafter referred to as "Bank CIC" or the "Bank") may be confronted with actual or potential conflicts of interests in the course of its business activities.

A conflict of interests may arise when there are multiple, conflicting or different interests. In this context, it is important to identify situations likely to give rise to a conflict of interests so that appropriate measures can be taken to avoid or mitigate them.

With regard to clients, actual or potential conflicts of interests may arise between:

- the interests of Bank CIC and those of one or several clients;
- the interests of Bank CIC employees and those of one or several clients;
- the interests of two or several different clients.

In accordance with the applicable legal and regulatory framework and its internal directives, Bank CIC must act with diligence and integrity in the interests of its clients, which it places above its own interests and those of its employees. Bank CIC aims to prevent, identify and manage any conflicts of interests that may arise in relation to its services.

The purpose of this document is to inform clients of the main conflicts of interests that may arise in connection with the services provided by Bank CIC and their management by the Bank in accordance with the applicable laws and regulations.

2. Types of conflicts of interests

Potential conflicts of interests may arise in a variety of circumstances, such as between Bank CIC (or another entity of the Crédit Mutuel Group) and one of its clients, between clients themselves or between Bank CIC employees and clients.

Bank CIC identifies situations likely to lead to a conflict of interests and takes appropriate measures to avoid them and, if this is not possible, to handle/manage actual or potential conflicts of interests appropriately. A situation of conflict of interests may, for example, result from the following circumstances (non-exhaustive list):

- receipt of monetary and/or non-monetary compensation from third parties in connection with the provision of financial services (see also Sections 4 and 5 below);
- Bank CIC's own interests in connection with the sale and trading of financial instruments;
- personal relationships or personal interests of employees (e.g. in the case of own transactions, variable remuneration or gifts/invitations from clients);
- use of confidential information not known to the public against or for the benefit of a client in connection with trading in financial instruments;

- execution of investment orders (e.g. when several clients are involved in the purchase or sale of the same financial instrument);
- provision of asset management services or investment advice (see for example section 4 below on the investment universe);
- Bank CIC's relationships with issuers of financial instruments offered or recommended to clients.

3. Identification of conflicts of interests

In accordance with legal and regulatory requirements and its internal directives, Bank CIC identifies situations of conflict of interests likely to arise in the context of its activities and business relationships in order to be able to prevent and manage them appropriately. Situations identified in this way are recorded in a register that is regularly updated.

With regard to the identification of potential conflicts of interests, Bank CIC takes into account situations in which it, one of its employees or a person directly or indirectly linked to it by a control relationship (non-exhaustive list):

- is likely to make a financial gain or avoid a financial loss to the detriment of the client;
- has an interest in the outcome of a service provided to the client or a transaction carried out on the client's behalf which does not correspond to the client's best interest in that outcome;
- has a financial or other incentive to favour the interests of one client or group of clients over those of another client;
- receives or will receive from a third party other than the client a benefit in connection with the service provided to the client, in the form of money, goods or services, other than the usual commission or fees paid by the client for this service.

4. Bank CIC's investment universe and financial instruments

The investment universe offered by Bank CIC as part of its asset management and investment advisory services includes financial instruments issued, managed, developed or controlled by Bank CIC or another Crédit Mutuel Group company ("Bank CIC Financial Instruments") as well as financial instruments from third-party providers. In the event of an investment in Bank CIC Financial Instruments, there may be a risk of conflicts of interests between the Bank and the client.

The Bank may act as manager and/or investment advisor in respect of certain Bank CIC Financial Instruments. In this capacity, Bank CIC receives additional customary remuneration (e.g. a management fee). This remuneration is charged directly to the relevant Bank CIC Financial Instrument.

If the characteristics (e.g. risk structure, term) of the Bank CIC Financial Instruments and the financial instruments of third-party providers are comparable, the Bank CIC Financial Instruments may be chosen first.

The Bank has also taken appropriate organisational measures to exclude any disadvantages for the client that might result from the purchase of a Bank CIC Financial Instrument. Investments in a Bank CIC Financial Instrument are therefore always the result of a selection process which takes account not only of the characteristics of the financial instrument but also of the actual costs for the client.

5. Compensation received from third parties

In the course of providing its services, the Bank may receive compensation from third parties in various forms. Depending on the product and the promoter, these are defined on a recurring basis as trailer fees or, in the case of structured products, as discounts on the issue price or retrocessions granted to the Bank.

Third-party compensation may give rise to conflicts of interests. In particular, they may encourage investors to choose certain investment products that provide higher compensation over other investment products and/or to favour them over investments without additional compensation. Bank CIC has taken organisational measures in this respect to avoid such conflicts of interests and to rule out the possibility of its clients being disadvantaged.

Further information on third-party compensation (including the current scope and calculation parameters) may be consulted at any time on the Bank's FinSA webpage (www.cic.ch/finsa) or obtained from a client advisor.

6. Measures for managing conflicts of interests

In order to avoid and mitigate the occurrence of conflicts of interests, Bank CIC has implemented organisational measures, including internal directives and procedures, aimed at preventing unlawful market behaviour, in particular the exploitation of insider information and market manipulation, as well as protecting clients' interests. These measures include (non-exhaustive list):

- information barriers and functional separations between Bank CIC employees;
- *straight-through processing* and rules for grouping orders and allocating grouped orders;
- rules concerning the monitoring and reporting of transactions likely to constitute market abuse;
- rules concerning the prevention of the exploitation of insider information, in particular by means of a *watch list* of insider information in the possession of Bank CIC and its employees in order to prevent any abusive or fraudulent use of such information;
- rules on proprietary trading by employees;
- obligations for its employees to disclose their appointments and any outside employment;
- training and awareness sessions for its employees;
- rules on the acceptance and disclosure of compensation, including gifts and invitations to events.

7. Controls

As part of its system of internal control, Bank CIC has put in place various controls at the level of its operating units and provides for independent controls to ensure that its policy on conflicts of interests and measures to control this risk are complied with.

In particular, these controls ensure:

- the existence of adequate governance and procedures for identifying, preventing and managing conflicts of interests within Bank CIC;
- effective implementation of policies and procedures relating to the identification, prevention and management of illegal market behaviour and conflicts of interests within Bank CIC;
- the identification of potential conflicts of interests between Bank CIC and its employees and/or concerning its service providers and suppliers;

- that situations of conflicts of interests detected a posteriori are the subject of a compliance incident. Bank CIC has instructed its Compliance Department to monitor the identification of conflicts of interests and to ensure their appropriate management.

8. Informing clients

Bank CIC takes all measures to avoid or mitigate conflicts of interests that may arise in connection with services provided to clients.

However, given the multitude of situations in which a conflict of interests may arise and their potential complexity, it cannot be entirely excluded that, in certain circumstances, Bank CIC may not be able to guarantee that the interests of its clients will be sufficiently protected at all times.

Where Bank CIC identifies a conflict of interests situation where a disadvantage to clients cannot be excluded, Bank CIC may refuse to provide the relevant services or disclose the conflict of interests and the related risks to the clients concerned so that they can make an informed decision as to whether or not to continue with the current transactions.

As stated in the introduction, the purpose of this document is to inform clients of the main conflicts of interests that may arise in connection with the services provided by Bank CIC and how they are managed by the Bank in accordance with the applicable regulations and its internal directives.

Relationship managers are also available to assist clients with any queries they may have regarding conflicts of interests.