



# PRINCIPLES FOR DEALING WITH CONFLICTS OF INTEREST AND DISCLOSURE OF BENEFITS

**Introduction**

Acting in the client's and investor's interest is the guideline for our business relationship with you. This also means that we recognise, avoid and find solutions to potential conflicts of interest situations in our client's/ investor's best interest.

We would therefore like to inform you below of the comprehensive precautionary measures we have taken in connection with our business operations as a financial service institution and in connection with the performance of investment services.

**Possible conflicts of interest**

In principle, your interests may collide with:

- Interests of our institution and companies affiliated with us;
- Interests of our staff members; or
- Interests of other clients/ investors.

When providing investment services, conflicts of interest can, in particular, arise in the following cases:

- When members of our management, our supervisory board or staff of our institution hold mandates with a company issuing financial instruments recommended by our institution or with a company through which our institution executes your orders or to which our institution forwards your orders for execution;
- If our institution, besides your order, also executes orders from other clients or from staff members of our institution in the same financial instrument;
- By combining client orders to the detriment of clients/ investors;
- By giving certain client orders a less favourable treatment when forwarding or executing orders when providing portfolio management services;
- When our employees could take advantage of insider information;
- Selection of brokers / counterparties or financial instruments due to benefits that our institutions / our employees receive from third parties or
- By receiving sliding-scale commissions.

**Measures taken to avoid conflicts of interest**

In order to avoid potential conflicts of interest to the detriment of our clients / investors we have taken several organisational measures. They in particular include:

- Compliance with the agreed investment guidelines, e.g. pre-investment policy;
- Execution Principles including policies and procedures to adhere to these principles;
- Principles for combining of client orders and execution;
- Code of conduct for staff transactions in order to exclude the possibility of treating client transactions less favourably than staff transactions;
- Policies and procedures regarding side-line occupations of members of our management and employees;
- Policies and procedures on corporate governance for management and the supervisory board;
- Remuneration system which is designed to avoid negative incentives to take unreasonable risks;
- Careful selection, qualification, training and advanced training programme of our staff members;
- Policies and procedures regarding acceptance and granting of benefits and
- Calculation and monitoring of sliding-scale commissions by external parties based on contractual agreements.

Conflicts of interest that can still not be avoided by these measures will be disclosed to you prior to carrying out the investment services.

**Disclosure of benefits**

When providing financial services, Quoniam accepts and grants benefits from and to third parties. These benefits include monetary benefits (e.g. distribution fees) and non-monetary benefits such as non-substantial or free of charge material or services or invitations to professional events. These benefits must be capable of enhancing the quality of service provided to a client and are of a scale and nature such that they could not be judged to impair compliance with Quoniam's duty to act in the best interest of the client.

We have policies and procedures in place for the acceptance and granting of benefits, both for our staff members and for the members of our supervisory board. These policies and procedures address the applicable regulations with regard to benefits and are therefore suitable to ensure compliance with those regulations by defining explicit reporting and authorisation obligations.

**Monitoring by Governance & Business Advisory Team**

Compliance with all of the above mentioned obligations is monitored on an ongoing basis by our independent Governance & Business Advisory team and regularly audited by in-house and external audit.

If you should have any further question on dealing with potential conflicts of interest or are interested in details about the benefits granted and accepted in connection with the business operations stated above, please contact our Governance & Business Advisory Team in writing.