

POLICY ON CONFLICTS OF INTEREST

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VERSION 0.01



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Revision History

| Version | Date of Change | Modified by | Summary of change |
|---------|------------------|------------------|--|
| 0.01 | 22 December 2016 | Ronald Goudriaan | updating policy to incorporate additional scope i.e. NIBC Markets. |

SUMMARY POLICY ON CONFLICTS OF INTEREST

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|---------------------------------|--|
| To whom does it apply? | All employees of NIBC ¹ (including the international offices) and all independent contractors and/or temporary staff of NIBC working under management and/or supervision of NIBC (“ Staff Members ”). |
| What is the purpose? | Ensure that any (potential) conflicts of interest are timely identified and adequately managed. |
| What is/are the principle(s) | Conflicts must be managed by <ul style="list-style-type: none">• Identifying any conflicts upfront• Mitigating them by means of an internal control framework• Being transparent with regard to the identified conflicts in case of disclosure to a client, if NIBC is unable to prevent the risk of damage to the interest of the client. |
| How to comply? | Be constantly aware of the fact that conflicts of interest may occur in your day-to-day business. Once a (potential) conflict is identified, make sure that it is adequately managed and, where applicable, disclosed. In case of any doubt regarding the letter and spirit of this policy, please contact the Compliance Department of NIBC. |
| When to notify? | If you become aware of any conflicts of interest in the relationship between NIBC and its clients, among clients themselves, or between NIBC and one or more of its Staff Members you must contact the Compliance Department without delay. |
| Consequences of non-compliance? | Your failure to comply with this policy may seriously harm NIBC, its employees and/or its clients. Failure to comply with this policy may lead to disciplinary actions by NIBC, including the termination of employment. |

¹ NIBC includes NIBC Holding N.V. and its subsidiaries (among others NIBC Bank N.V., NIBC Bank Deutschland A.G. and NIBC Markets N.V.) and their international offices, as well as all domestic and foreign participating interests in which NIBC Holding N.V. has a direct or indirect (equity or voting) interest of at least 50%. Within this definition the (consolidated) participations, being non-financial institution participations, are excluded.

1. INTRODUCTION

1.1. General

As a result of the business activities of NIBC, actual and potential conflicts of interest occur from time to time in the normal course of business. Areas where conflicts of interests might occur include:

- investment research;
- proprietary trading;
- portfolio management;
- corporate finance (e.g.. M&A);
- capital markets;
- personal account dealing;
- ownership interest.

1.2. Purpose

For the purpose of this Policy a conflict of interest is defined as follows:

Any situation where the competing interests of two or more parties might lead to a situation where acting in the interest of one party would mean not (fully) acting in the interest of the other party.

To protect the legitimate interests of all relevant parties, including clients, Staff Members and NIBC as an institution, NIBC must be able to identify, mitigate and manage those conflicts of interest by maintaining adequate measures, at the organisational, physical and administrative level. These measures include a comprehensive policy and procedure framework, monitoring and training.

This Policy on Conflicts of Interest describes the measures that NIBC has in place to manage and mitigate actual or potential conflicts of interest.

1.3. Applicability

This policy applies to all employees of NIBC (including the international offices) and all independent contractors and/or temporary staff of NIBC working under management and/or supervision of NIBC.

1.4. Document ownership

The Compliance Department is the designated owner of this Policy and, as such, is responsible for the maintenance and review of the document every year, or more frequently if circumstances (such as changes in relevant laws or regulations) so require.

1.5. Effective date and Amendments

This Policy is a revision of the previous version of this Policy. This Policy will become effective on 31 December 2016. NIBC reserves the right to amend this Policy from time to time if circumstances (e.g. changes to legislation and regulations) make this necessary. Any changes to this policy must be approved by the Risk Management Committee of NIBC Bank N.V. and will be notified to all Staff Members after the approval.

2. MANAGING CONFLICTS OF INTEREST

2.1. General rules

NIBC has to take all reasonable steps in order to:

- identify conflicts of interest between itself and its clients, between one client and another or between itself and one of more of its Staff Members, and;
- have an effective administrative organisation and internal controls (AO/IC) in place designed to mitigate the risks arising from such conflicts.

2.2. Types of conflicts

In general there are four types of (possible) conflicts of interest where clients are involved:

- when NIBC is engaged or wishes to engage in a number of different activities for the same client or project;
- when different entities within NIBC are engaged or wish to engage in the same activity for the same client or project;
- when NIBC has its own interests with regard to activities carried out for a client; and
- when NIBC renders the same activities (i.e. with the same goal or purpose or in relation to the same transaction) to different clients.

Please note that the above mentioned conflicts not only concern NIBC and its Staff Members but also other parties or persons involved amongst which affiliated parties (i.e. stakeholders).

2.3. Stages in managing conflicts of interest:

2.3.1. Identification of conflicts

Identifying the conflicts upfront is the first stage in safeguarding the position of the client. Possible conflicts of interest between the different activities and/or interests must be identified before rendering a service to a client. If a Staff Member becomes aware of any conflicts of interest in the relationship between NIBC and its clients, or among clients themselves, the Staff Member must contact its line manager or Compliance without delay.

It is the responsibility of line management to maintain an overview of the possible conflicts of interest within their area of attention.

2.3.2. Control framework

The second stage in mitigating conflicts of interest is to set up an internal control framework that enables NIBC to manage (potential) conflicts of interest. The framework consists of several policies:

- **Policy on the Engagement Committee**

The main purpose of the Engagement Committee (“**EC**”) is to ensure a transparent, ethically sound and accurate decision making process with regard to client engagement and conflicts of interest, including the assessment of potential integrity risks when engaging with clients. The tasks of the EC, the scope in which it operates and its organisational settings are embedded in the EC Charter which can be found on Intranet.

The EC has to approve all (potential) transactions of the Corporate Banking Division of NIBC as well as any other transaction where advice from the EC would be appropriate as set out in the EC Charter. Potential transactions are reviewed for possible conflicts of interest and compliance requirements (e.g. client integrity, Chinese Walls) including conflicts related to NIBC managed funds, fiduciary duties and the composition of deal teams. The EC may prohibit a team from proceeding with a potential transaction or may impose conditions or restrictions on a specific transaction or team in order to manage conflicts of interest.

- **Policy on Chinese Walls**

Strict Chinese Walls, both organisational and procedural, and where applicable even physical, are in place, thus preventing the flow of confidential and/or inside information between different business units. The sharing of confidential (client) and or/inside information within NIBC is only allowed on a need to know basis.

- **Policy on Additional Functions**

Staff Members need to notify additional functions which they want to accept/fulfil. Possible conflicts that might arise when accepting or fulfilling an additional position will be assessed by the Engagement Committee and/or Compliance prior to acceptance.

- **Policy Gifts & Entertainment**

Gifts and entertainment offered by or to NIBC's clients may influence the behaviour of Staff Members in a way that conflicts with the interest of NIBC or the (other) clients. Therefore Staff Members need to notify any gifts and entertainment either offered or received. Possible conflicts that might arise when accepting or offering gifts and entertainment have to be assessed prior to their being accepted or offered.

- **Policy on Private Investment Transactions**

Staff Members are not allowed to use confidential information obtained in their work for their personal benefit. The Policy on Private Investment Transactions describes the specific requirements (i.e. pre trade clearance) and restrictions with regard to private investment transactions by NIBC employees.

2.3.3. Informing clients

Stage three in mitigating conflicts of interest is to be transparent towards the clients with regard to the identified conflicts that might arise or are about to arise when conducting business, thus enabling clients to make an informed decision on the nature and impact of the (possible) conflict on their legitimate interests. All reasonable measures will be implemented in order to act in the best interest of the client. Ultimately it may be decided by the Engagement Committee not to render a new service to the client.

The client should be informed proactively, in writing (including emails) and in a timely manner. The written message has to include the relevant details of the (possible) conflict of interest in order for the client to evaluate the consequences. The following elements are mandatory:

- the nature of the (potential) conflict;
- the parties involved (on an anonymous basis where required) and their role in the (potential) conflict;
- NIBC's involvement/role in the (potential) conflict; and
- the control mechanisms that are in place.

3. MONITORING ON COMPLIANCE WITH THIS POLICY AND SANCTIONS

NIBC monitors the compliance with this Policy. To that end the Compliance Department carries out regular checks as set out in the Compliance Monitoring Plan. The Compliance Department will report any findings to the Staff Member found to be non-compliant and his or her (senior) management. A Staff Member found to have violated this Policy may be subject to disciplinary action, depending on the materiality and frequency of the breach, up to and including the termination of employment.