



NIBC Conflicts of Interest Summary

January 2018



SUMMARY NIBC CONFLICTS OF INTEREST POLICY

As NIBC provides a wide range of services to its clients, conflicts of interest may potentially arise. NIBC is committed to prevent and manage such conflicts of interest, in order to protect its clients.

Conflicts of Interest

A conflict of interest is a situation where, within NIBC's ordinary course of business, the interests of NIBC or its employees on one hand conflict with the interests of its clients on the other hand, or conflicts may arise between individual clients of NIBC. In other words, a conflict of interest is a situation where, within the course of NIBC's provision of financial services, there is a possible disadvantage to a client and a gain or benefit for NIBC or another client. The NIBC Conflicts of Interest Policy constitutes an effective framework for the identification and management of such conflicts of interests.

The investor protection rules regarding the prevention and management of (potential) conflicts of interest by investment firms have been enhanced under MiFID II. The NIBC Conflicts of Interest Policy has therefore been amended accordingly. Additional situations and examples of potential conflicts of interest have been identified and a more detailed explanation as to how we prevent and manage (potential) conflicts of interest has been included in the amended NIBC Conflicts of Interest Policy.

How NIBC deals with Conflicts

NIBC has established policies and procedures that are designed to identify, and prevent or manage conflicts of interest. These policies and procedures include arrangements to safeguard the interests of clients.

NIBC has procedures in place to:

- Identify potential conflicts that could reasonably arise in the context of NIBC's activities;
- Restrict the flow of information (where necessary) to certain employees in order to protect employees' and/or clients' interests;
- Segregate activities to ensure independence. In some areas where there may be a greater risk of potential conflicts of interest, NIBC seeks to segregate specific transactions so that they are performed independently from those other transactions where a conflict of interest could arise;
- Maintain a conflicts of interest register (of potential or actual conflicts identified);

- Prevent or manage conflicts on an ongoing basis; and
- Disclose conflicts of interest to clients, where appropriate.

Identifying Conflicts

The assessment of NIBC to identify conflicts of interest in relation to its clients, shall take into account the following (non-exhaustive) situations where NIBC or an employee:

- a) Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- b) Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest 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) Carries on the same business as the client; and
- e) Receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services.

NIBC maintains an internal Conflicts of Interest register, documenting and evaluating all identified potential and actual conflicts, which is subject to regular oversight and review by NIBC senior management.

Preventing or managing Conflicts

Conflicts clearing procedures ensure that, where necessary, potential Conflicts are escalated and managed before NIBC is undertaking business on the client's behalf or committed to a transaction.

In some cases, NIBC will consider declining to act for one of more clients. For example, if:

- A conflict of interest cannot be managed and the possible disadvantage is deemed too material by NIBC; and/or
- Confidentiality obligations prevent adequate disclosure (see Disclosure, below).

Disclosure

NIBC may make general disclosures to clients about certain types of potential conflicts, explaining how such conflicts are managed (for example, through separation

of businesses or measures to prevent unauthorised sharing of confidential information) to mitigate the risk of damage to clients' interests.

However, where NIBC has used all reasonable efforts to prevent or manage a conflict, but the risk of damage to a client interests remains, a specific disclosure about the presence of a conflict will be made to the client. Such specific disclosure should only be "a measure of last resort" and not a means for managing conflicts.

Specific disclosures will be made in a durable medium, and include sufficient detail, taking into account the nature of the client, to enable that client to take an

informed decision with respect to the financial service in the context of which the conflicts of interest arise.

At times, a duty of confidentiality to one client might limit the disclosures that can be made to another client.

Further details of the NIBC Conflicts of Interest Policy may be provided at the request of the client by contacting the Compliance Department at Compliance.office@nibc.com