

Conflicts of Interest Policy

Every aspect of Nomura Bank (Luxembourg) S.A. (hereafter “NBL”) business has to be conducted in a fair, lawful and ethical manner. Assuming that conflicts of interest may nevertheless arise/remain during the course of NBL’s activities, NBL has adopted a policy defining how to identify, report, manage and, if relevant, disclose conflicts of interest pursuant to the regulatory provisions on client protection.

In principle, the following situations can generate conflicts of interest:

- a) NBL is likely to make a financial gain, or avoid a financial loss, at the expense of the customer;
- b) NBL has an interest in the outcome of a service provided to the customer or of a transaction carried out on behalf of the customer, which is distinct from the customer’s interest in that outcome;
- c) NBL has a financial or other incentive to favour the interest of another customer or group of customers over the interests of the customer;
- d) NBL carries on the same business as the customer;
- e) NBL receives from a person other than the customer an inducement in relation to a service provided to the customer, in the form of monies, goods or services, other than the standard commission or fee for that service.

In order to minimise the potential of conflicts of interest, NBL has:

- a) defined a clear and consistent organisational and operational structure including decision-making powers, reporting and functional links and segregation of duties which are clearly defined, transparent, consistent, complete and free from conflicts of interest;
- b) adopted a remuneration policy which ensures that there is no direct link between, on the one hand, the remuneration of relevant persons principally engaged in one activity and, on the other hand, the remuneration of or revenues generated by different relevant persons principally engaged in another activity, where the activities in question may give rise to a conflict of interest;
- c) set up a set of administrative procedures (and physical barriers where necessary) which separates the activities of different areas within NBL and which controls the flow of inside information between persons engaged in activities involving a risk of a conflict of interest;
- d) set up measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest;
- e) set up the separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, customers whose interests may conflict, or who otherwise represent different interests that may conflict, including those of NBL;
- f) set up measures to prevent or restrict any person from exercising inappropriate influence over the way in which a relevant person provides investment or ancillary services or carries out investment activities;
- g) set up measures to ensure full segregation between NBL’s operations and controls;
- h) set up measures to ensure separation between own account transactions and those for its customers.

NBL has defined an escalation channel which has to be followed to inform the relevant persons of any actual or potential conflicts of interest. The person exposed to the conflict shall not participate in any decision or action causing the conflict of interest.

Where the organisational and administrative arrangements that have been taken are not sufficient to ensure that the interests of the clients are not damaged and the conflict of interest cannot be avoided, NBL shall manage, monitor and disclose that conflict of interest and the source of the remaining conflict before acting on behalf of the client in order to prevent adverse effects on its clients’ interests.

The Policy is reviewed at least annually to ensure NBL continues to meet its regulatory requirements.