

INFORMATION ON THE POLICY FOR THE PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

I - PRINCIPES

Protecting CLIENT interests is a fundamental concept underpinning BRED's business ethics. It constitutes one of the Bank's guiding business principles and is reflected, in particular, in its policy for the prevention and management of conflicts of interest that are liable to arise during transactions entered into with CLIENTS.

A conflict of interest arises when the interests of the Bank (including its personnel) conflict with those of a CLIENT or when the interests of a CLIENT conflict with those of another CLIENT.

The following situations could constitute a potential conflict of interests:

- The Bank putting the interests of one or several CLIENTS before the interests of another CLIENT for financial or other reasons;
- The receiving or giving of gifts with the aim of influencing the Bank's behaviour in such a way that it conflicts with CLIENT interests;
- The Bank entering into commercial or trading activities for its own account or on behalf of its CLIENTS, even though other CLIENTS are operating in the markets concerned at the same time;
- The Bank providing an investment advisory service to its CLIENTS and at the same time recommending or selling products issued by the Bank itself or the Group to which it belongs;
- The Bank implementing a remuneration policy that would create incentives that could encourage its personnel to put their own interests or the interests of their institution first.

The system for the prevention and management of conflicts of interest, established by BRED in compliance with applicable regulations, comprises organisational measures and administrative procedures for the processing and monitoring of transactions, with the aim of:

- preventing conflicts of interest,
- establishing an appropriate policy for the management of conflicts of interest and keeping this policy operational,
- detecting situations that result in, or are liable to result in, a conflict of interest,
- maintaining and updating a register of activities for which conflicts of interest have arisen or could arise,
- notifying CLIENTS when, for a specific transaction, the measures taken are insufficient to reasonably guarantee that the risk of adversely affecting a CLIENT's interests will be avoided.

This policy takes into account the fact that BRED belongs to the Banques Populaires network with regard to any potential conflicts of interest between CLIENTS of the various entities in the Banques Populaires network.

2 - PREVENTIVE MEASURES

BRED ensures that the personnel of all its establishments comply with the professional obligations that apply to them in the performance of their duties, together with the applicable regulatory provisions. BRED Compliance, an independent function, is responsible for overseeing this compliance.

In this context, organisational measures and governing procedures have been implemented to prevent conflicts of interest. These include :

- a code of ethics which includes an obligation to treat all information gathered in connection with CLIENT transactions with discretion and confidentiality and aims to ensure that the necessary fairness and loyalty are built into CLIENT relationships WWW;
- a hierarchic and physical separation between activities that may lead to a conflict of interest (for example, between an activity performed on behalf of CLIENTS and one carried out for BRED's own account), with the aim of preventing any unnecessary transmission of confidential or insider information;
- the identification and monitoring of remuneration received or paid by BRED in connection with transactions entered into with CLIENTS;

- transparency in terms of staff remuneration, in order to prevent any remuneration directly related to transactions entered into with CLIENTS;
- transparency with respect to gifts or benefits received in connection with professional activities ;
- transparency with regard to the corporate offices held by BRED's senior managers or their staff as part of their professional duties or in a private capacity;
- the monitoring and control of the quality and compliance of commitments and services provided by external companies.

3 - CONTROLS

BRED has set up a control system to ensure compliance with the procedures in place to prevent conflicts of interest and to detect any conflicts of interest that may arise, despite the preventive measures, with a view to resolving them fairly. With this objective in mind, the departments in charge of controls are required to:

- conduct regular reviews of situations liable to generate conflicts of interest, including conflicts of interest between BRED and another entity in the Banques Populaires network,
- verify that sensitive or potentially conflictual activities have been effectively separated, and that customer-facing departments are separated from departments in charge of recording and processing transactions,
- check that operational departments acting on behalf of CLIENTS or third parties are separated from departments that act for BRED's own account,
- monitor the restrictions in place on the circulation of confidential or insider information.

4 - DEALING WITH CONFLICT OF INTEREST SITUATIONS AND NOTIFYING CLIENTS

In the event that, despite the preventive measures in place, conflicts of interest that could adversely affect CLIENT interests could not be avoided, BRED's procedures stipulate that measures appropriate for each situation should be sought by the Bank's management, with the assistance of the Compliance function.

If the measures implemented by BRED appeared insufficient to guarantee, with reasonable certainty, that the risk of adversely affecting the interests of the CLIENT(S) concerned could be avoided, then the Bank would notify its CLIENTS in writing of the nature or source of the conflict of interest to enable them to make an informed decision.

Any additional information on this policy for the prevention and management of conflicts of interest can be obtained by sending a written request to BRED. This policy for the prevention and management of conflicts of interest is also available on the website BRED.fr.

