

## CONFLICTS OF INTEREST POLICY

### I. General framework

In conducting its businesses, including those involving providing investment and related services, Crédit Mutuel Alliance Fédérale (hereinafter “the Group”) may be faced with diverging interests.

In accordance with its principles and with regulatory provisions, it places the interests of its customers first, with the goal of preventing conflicts of interest, in particular when:

- The Group or one of its employees might gain financially or avoid a financial loss at the expense of the customer;
- The Group or one of its employees has an interest in the result of a service provided to the customer, or of a transaction conducted on a customer's account, which is different from the customer's interest in this result;
- The Group or one of its employees is encouraged, for financial or other reasons, to place the interests of a different customer or group of customers over those of the customer in question;
- The Group or one of its employees has the same professional activity as the customer;
- The Group or one of its employees receives or will receive from a person other than the customer, an incentive related to the service provided to the customer, in the form of services or monetary or non monetary benefits.

### II. Countermeasures

Measures are taken to prevent the presence of differing interests at a given moment from impeding the goal of preventing conflicts of interest;

1. The Group ensures that its customers' interests are placed above all others when providing any service, in particular if it involves financial instruments. Specific rules define the conditions under which any service or product must be sold. The sales offer is based on knowledge of the customer and of their expectations, and includes in particular detailed information on the features of the products or services being proposed and the degree of risk they involve.
2. Customers are treated equitably, with no particular advantages offered to one customer to the detriment of another. More generally, employees must perform their functions with honesty, diligence and loyalty, in accordance with the rules of ethics that apply to the Group. Employees receive training in preventing conflicts of interest. The customer's interests prevail, whether it be over the personal interests of employees or over the interests of the entity to which they belong.

3. The preeminence of the customer's interests also implies that some activities be conducted with the requisite independence and confidentiality. The Group is structured by major business lines specifically to ensure this separation. The use of "information barrier" procedures to prevent undue circulation of confidential or privileged information is another facet of this approach.
4. Employees who, due to their roles, are more liable to find themselves in conflict of interest situations or to hold confidential or privileged information, are subject to specific requirements for the transactions on financial instruments that they wish to conduct on their own behalf.
5. Compensation practices are defined so as to avoid creating conflicts of interest or incentives for employees to favor their own interests or the interests of the company to the potential detriment of any customer.
6. The Group has created a system to identify, prevent and manage any conflicts of interest. The control departments are responsible for monitoring proper application of the measures taken for this purpose and of the related regulatory provisions, including those concerning customer information.

### **III. Key application modalities**

#### **1. Identify possible conflicts of interest**

- Mapping has been conducted of possible conflicts of interest that might occur directly or indirectly between the Group's various businesses or services. These conflicts of interest are those that might arise, when providing any commercial product or service, between: the service providers themselves, the persons under their authority or acting on their behalf or any other person directly or indirectly in a relationship of control with them, on the one hand, and on the other, their customers; or between two customers.
- To complete this mapping, possible conflicts of interest are identified based on regulations and on compliance with the principles noted above in terms of the primacy of customer interests, equitable treatment of customers, separation of business lines and independence of functions.

#### **2. Prevent possible conflicts of interest**

Preventing possible conflicts of interest is based primarily on the following measures:

- material provisions intended to prevent any inappropriate overlap between activities (separate premises, specific clearances, rules on keeping and transmitting information);
- an appropriate organization within the departments themselves (in particular with reporting lines that correspond to the functions performed);
- procedures designed in particular to call attention to the primacy of the customer's interests in selling services and products, prevent undue circulation of information, formally define the applicable ethical rules, and preserve the independence of functions when needed;

- regular audits of the application of these rules and procedures.

### **3. Manage possible conflicts of interest**

- Potential or existing conflicts of interest are cataloged and appropriate measures are implemented to ensure their resolution.
- If the measures taken are deemed insufficient to guarantee with reasonable certainty that the risk of harm to the customer's interests is removed, the customer is informed, in accordance with regulatory provisions, of the general nature and source of these conflicts of interest, the risks incurred and the measures taken to mitigate these risks.