

# INFORMATION ON DEALING WITH CONFLICTS OF INTEREST

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Due to regulatory requirements, all credit institutions are obliged to take appropriate measures to identify Conflicts of Interest that arise in the provision of investment services and ancillary services (Art. 45 et seq. of the Austrian Securities Supervision Act 2018 – “WAG 2018”).

The purpose of these requirements is to prevent such Conflicts of Interest by taking appropriate precautions, in particular through organizational and administrative measures. In addition, all Conflicts of Interest must be clearly disclosed to customers, if necessary.

DenizBank AG has appropriate and efficient procedures and measures in place to identify and manage Conflicts of Interest in order to ensure compliance with regulatory framework for Conflicts of Interest set out in the WAG 2018.

## ▪ What is meant by the term “Conflict of Interest”?

The term „Conflict of Interest” refers to a situation in which DenizBank AG performs investment services or ancillary services involving financial instruments on its own behalf or on behalf of customers with conflicting objectives. Conflicts of Interest may harm the interests of the clients of DenizBank AG unless appropriate measures are taken to identify and verify them.

Conflicts of Interest may arise between the following groups of persons:

- Conflicts between DenizBank AG and its customers;
- Conflicts between employees of DenizBank AG and its customers;
- Conflicts between various customers of DenizBank AG.

## ▪ How may Conflicts of Interest arise?

Conflicts of Interest may arise in particular from the following situations:

- DenizBank AG’s interest in selling financial instruments;
- when receiving incentives from third parties or granting incentives to third parties in connection with the provision of investment services;
- when paying DenizBank AG employees a performance-related bonus;
- when granting inducements to DenizBank AG employees;
- DenizBank AG employees’ self-interest in the business of DenizBank AG customers;
- as a result of the relationships DenizBank AG has with the issuers of financial instruments, such as when credit arrangements exist;
- by obtaining information not in the public domain;
- from personal/family relations of DenizBank AG employees or the Management Board or with individuals related to them with other persons and/or companies;
- as a result of the involvement of these individuals in other undertakings, especially as members of the Supervisory Boards; or
- as a result of such relationships with group members of the entire group.

## ▪ Measures taken by DenizBank AG to prevent Conflicts of Interest

Identifying and preventing Conflicts of Interest and dealing with them appropriately is an important fundamental principle of DenizBank AG. For this purpose, an independent compliance organization has been set up by DenizBank AG under direct responsibility

of the Management Board, which in particular takes the following measures to prevent Conflicts of Interest:

- Maintaining a register of Conflicts of Interest to ensure the identification and management of Conflicts of Interest;
- Establishment of regulations on the acceptance and granting of inducements/benefits and their disclosure;
- Creating Areas of Confidentiality by establishing information barriers (personal separation of responsibilities and/or physical separation);
- Maintaining a watch list to monitor the volume of sensitive information and prevent misuse of insider information;
- Maintaining a restriction list which serves, among other things, to counter potential Conflicts of Interest at an early stage by prohibiting transactions;
- Obligation of all DenizBank AG employees to disclose their transactions in financial instruments in accordance with legal requirements;
- Monitoring employee transactions related to financial instruments;
- Ongoing training of DenizBank AG employees;
- Implementation of an Execution Policy which defines according to which rules DenizBank AG executes its customers' orders.

If the organizational precautions are not sufficient to prevent any impairment of its customer's interests, DenizBank AG discloses the nature and extent of the Conflicts of Interest to its customers prior to the execution of the investment service. This disclosure is to be made in compliance with banking secrecy and the relevant provisions of data protection law.

We would like to draw your attention separately to the following point regarding securities transactions:

▪ **Inducements according to WAG 2018**

In order to act honestly, fairly and professionally in accordance with the best interests of its clients when providing investment services or ancillary services to its clients, DenizBank AG will fully comply with relevant legislation regarding inducements.

According to Art. 51 and Art. 52 WAG 2018, DenizBank AG may only receive commissions from its partners, if it will enhance the quality of the relevant service to the customers in order to perform higher and continuous client care, training measures and information processing.

Our customer service agents will be pleased to answer any of your questions and/or queries.