

BEMO Europe Conflicts of Interest Policy

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1 Introduction

BEMO EUROPE BANQUE PRIVEE (hereafter referred as “**BEMO**” or the “**Bank**”), is a public limited company governed by the laws of the Grand-Duchy of Luxembourg. It is registered with the Registre de Commerce et des Sociétés de Luxembourg under number B176452, with its registered office at 26, Boulevard Royal, L-2449 Luxembourg.

The Bank is authorised by the CSSF to carry out its activities pursuant to Article 2 of the Law of 5 April 1993.

BEMO Europe with the agreement of the *Commission de Surveillance du Secteur Financier* (“**CSSF**”) and the *Autorité de Contrôle Prudentiel et de Résolution* (“**ACPR**”) has a branch in France, denominated as BEMO EUROPE BANQUE PRIVEE – succursale de Paris (the “**Branch**”). It is registered under the Parisian Registre de Commerce et des Sociétés under number 998269518 / CIB 17619 having its registered office at 63, Avenue Marceau, 75116 Paris.

1.1 Purpose and Use of the Policy

The purpose of this Conflicts of Interest Policy (“**Policy**”) is to define the procedures to be followed and the measures to be taken to prevent or effectively manage conflicts of interest. This Policy also aims to identify and inform Employees of the circumstances which may constitute a conflict of interest and thus enable appropriate handling of such situations in accordance with this Policy. This Policy shall be used as a reference tool by all Employees.

1.2 Scope

This Policy shall apply to:

- Directors, partners, board members or equivalents, managers or related agents of the Bank and of the Branch;
- Staff members of the Bank and the Branch;
- Any individuals whose services are made available and placed under the control of the Bank or the Branch;
- Any individuals who directly participate in the provision of services on the basis of an outsourcing agreement concluded for the purposes of the provision of investment services by the Bank or the Branch;
- Individuals directly or indirectly linked to the Bank or the Branch through a control relationship.

1.3 Legal and regulatory framework

Jurisdiction	Laws and regulations
European Union	<ul style="list-style-type: none"> • The Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments; • Regulation (EU) No 596/2014 on market abuse; • Delegated Directive (EU) 2017/593 on the safeguarding of financial instruments and funds belonging to Clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits; • Delegated directive (EU) 2017/565 on organisational requirements and operating conditions for investment firms.
Grand Duchy of Luxembourg	<ul style="list-style-type: none"> • The Law of 5 April 1993 on the financial sector • The CSSF Circular 12/552 as amended
France	<ul style="list-style-type: none"> • Code Monétaire et Financier; • Arrêté du 3 novembre 2014 relatif au contrôle interne des entreprises du secteur de la banque des services de paiement et des services d'investissements soumises au contrôle de l'ACPR ; • Règlement général de l'AMF

2 Definitions

Authorised Management: shall be deemed the management body in its management function in accordance with the EBA Guidelines on internal governance (“EBA/GL/2021/05”).

Client: shall mean- any natural or legal person to whom the Bank provides services.

Employees: shall mean all individuals who are officially employed by the Bank, including full-time and part-time staff, contract workers, temporary employees, interns, and any other individuals engaged in work or services on behalf of the Bank.

Relevant regulatory authority: shall refer to the CSSF, a public institution which supervises the professionals and products of the Luxembourgish financial sector. It may also refer to the ACPR (French public regulator) for the branch located in Paris, France.

3 Identification of Conflicts of Interest

3.1 Definition of Conflict of Interest

A conflict of interest (“COI”) refers to a situation where an individual or entity, such as a company or organisation, is in a position where their personal or financial interests may clash or interfere with their professional duties or responsibilities. In such cases, the individual or entity may be tempted to prioritise their personal gains or relationships over the best interests of their employer, Clients, or stakeholders, potentially leading to biased decision-making or compromised integrity.

COIs may arise where competing obligations or motivations can compromise an individual's ability to make impartial, objective, or fair decisions. Such situations may arise in any area of the Bank's business in the course of its provision of services to Clients, employing sub-contractors, or performing transactions.

3.2 Classification of COIs

COIs may arise between any parties connected to the Bank. COIs may be broadly divided into the following types¹:

- COIs between BEMO and its Clients;
- COIs between different Clients of BEMO;
- COIs between Employees of BEMO and its Clients;
- COIs between Employees and BEMO;
- COIs between the Board of Directors and the Authorized Management;
- COIs between BEMO and any related third parties.

The situations listed below (non-exhaustive) may give rise to conflicts of interest and should be researched further so that appropriate action can be undertaken if necessary.

3.2.1 COI between BEMO and its Clients

The following cases are potentially considered as conflicts of interest on the part of the Bank towards its Clients:

- The Bank assigns the cost of errors to Client accounts instead of assigning it to the relevant accountable entity within the Bank;
- The Bank has access to non-public information that could harm a Client if used improperly;
- The Bank has interests that are opposite to the Client's interests in relation to the provision of a service or the execution of an operation on its behalf.

3.2.2 COI between different Clients of BEMO

The following situation can be considered as a potential source of conflict of interest:

- The Bank allocates executed orders, carried out on behalf of multiple Clients, in a manner that disadvantages one or more Clients over others;
- The Bank provides mention information on the same financial products or investments to two different Clients who have separate and/or competing interests.

3.2.3 COI between BEMO Employees and BEMO Clients

Potential COIs may arise between Employees of the Bank and its Clients in the following situations:

- Acceptance of gifts and hospitality (including non-monetary donations) that could influence the behaviour of Employees and lead to conflicts with the interests of the Bank's Clients;
- BEMO's Employees conducting personal transactions involving the same financial security before executing an investment decision or divestment for a Client.

¹ Non-exhaustive list

COIs can also arise when an Employee has personal interests outside their professional role that may come into conflict with the interests of the Clients.

3.2.4 COIs between Employees of BEMO

Potential COIs may arise among Employees of the Bank in the following situations:

- If two Employees have family ties or romantic relationships, this may lead to favouritism;
- If two Employees are competing for a limited bonus pool and are involved in assessing each other's performance or determining bonus allocations;
- In a relationship between a supervisor and a junior Employee, if a supervisor has a personal relationship with the junior Employee, this may influence the evaluation of the junior Employee's performance and recommendations for promotions.

3.2.5 COI between the Board of Directors and the Authorized Management

Potential COIs may arise between the Board of Directors of the Bank and its Authorized Management in the following situations:

- When board members have family ties or romantic relationships with the Authorized Management, they may have a COI when participating in decisions related to executive succession planning, potentially prioritising their personal connections over the best interests of the Bank;
- Where the Authorized Management is involved in the approval process for loans or its extension to board members, it can create a COI as the Bank's decision may be influenced by personal relationships rather than merit;
- Where the board members responsible for overseeing the audit and compliance functions have personal ties or business relationships with members of the Authorized Management, this may impact the independence and objectivity of audits and compliance assessments.

3.2.6 COI between BEMO and any Related Third Parties

Transactions with related parties must be carried out objectively and in the interest of the institution. The institution's interest is not met where transactions with related parties:

- are carried out on less advantageous terms for the institution than those which would apply to the same transaction carried out with a third party (at arm's length);
- impair the solvency, liquidity situation or risk management abilities of the institution from a regulatory or internal point of view;
- exceed the risk management and control capacities of the institution or are not part of the standard activities of the institution;
- are contrary to the sound and prudent management principles in the interest of the institution.

3.3 Identification of COIs

To identify actual and potential COIs, the Bank shall at least consider the following areas:

- Regulatory and legal requirements, in particular those that outline the types of activities and relationships that can lead to COI;

- Current business activities, in particular the Bank shall consider the roles and responsibilities of the Employees in conjunction with products and services offered by the Bank and identify areas where COIs may arise, for examples areas like lending, advisory services, investment management;
- Personal financial interests of Employees, board members, and their immediate family members.
- Outside business interests of Employees or board members and whether those may create COI with their roles in the Bank;
- Some past personal (2 years delay) and professional relationships of Employees and board members may also give rise to COI;
- The Bank's relationships with its Clients, including any shared interests, affiliations or conflicts which may arise in the course of providing services to Clients;
- The Bank's relationships with vendors, suppliers, and business partners;
- The Bank's policies in relation to gifts, entertainment and benefits received by Employees from Clients, vendors, or other third parties.

In the course of the identification of whether a situation constitutes a COI, the Bank shall take into account whether the Bank, or the Employee:

- Is likely to make a financial gain, or avoid a financial loss at the expense of the Client;
- Has an interest in the outcome of a service provided or of a transaction carried out on behalf of the Client;
- Has a monetary or alternative incentive to prioritise the interests of one Client or a group of Clients at the expense of another Client or group of Clients;
- Engages in a similar business as the Client;
- Receives or is set to receive incentives from a party other than the Client, related to services rendered to the Client, such as cash, goods or services, beyond the standard commission or service fee.

4 Procedures for Managing and Preventing COIs

4.1 Approaches to COI Management

The Bank aims to safeguard the interests of the Clients, the Bank itself, its shareholders and other stakeholders by identifying, preventing or effectively managing COIs.

The Bank may utilise the following methods (either individually or in combination) for the management of COIs:

- Organisational arrangements, including board governance, segregation of functions and duties, committee governance;
- General and specific policies, procedures, systems and controls, including, but not limited to:
 - Information barriers between different areas of the Bank;
 - Procedures for disclosure and Client consent in regard to COIs;
 - Internal escalation processes for COIs;
 - Whistleblowing system for the reporting of COIs within the Bank;
 - Policies in regard to Client order handling;
 - Policies, procedures and controls with regard to the payment and receipt of inducements;
 - Remuneration practices that disincentivise acting contrary to responsibilities;
 - Policy on outside business interests;

- Policy on personal account dealing for Employees;
- Policy on the documentation of loans granted to members of the management body and their related parties.
- Disclosure intended to inform the affected parties of the COI and its anticipated effects on them;
- Where the COI cannot be prevented or managed effectively using other means - avoidance of the service, activity or product which gives rise to the COI.

4.2 General Rules

The general rules governing relations with Clients include the following:

- No Employee, except in the case of a spouse, ascendant-descendant or sibling, can be a co-holder of an account with a Client;
- No Employee, except in the case of a spouse, ascendant-descendant or sibling, can be engaged in a business relationship with a Client;
- No Employee can act as an agent for a Client and hold power of attorney on their account;
- No Employee, except in the case of a spouse, ascendant-descendant or sibling, can be the beneficiary or originator of an order transfer involving a Client;
- No Employee, except in the case of a spouse, ascendant-descendant or sibling, can receive a gift, inheritance, or similar benefit from a Client, or be the source of such benefits for a Client;
- Any advantage that could be considered equivalent to a gift, as per the Code of Conduct and ethics, must be reported to the Compliance department;
- If any person encounters a situation where there may be some doubt regarding a potential conflict of interest, they must promptly seek clarification from the Bank's compliance and/or General Management.

4.3 COI Safeguards in Client Services

COI Circumstances	Measures Taken
<p>An Employee stands to achieve financial gain or avoid financial loss at the expense of the Client.</p>	<ul style="list-style-type: none"> ● Regular compliance checks are conducted on securities accounts held by individuals within the Bank. These checks review the movements in each securities portfolio to detect any transactions that may lead to a conflict of interest. If any such transaction is found, it is immediately reported to Compliance; ● The Securities Settlement division is tasked with identifying transactions that may potentially result in a conflict of interest. Any such transactions are promptly communicated to the Compliance team; ● To add an extra layer of security, all securities transactions undergo a "4-eyes" validation process, ensuring that transaction are verified and approved by several Employees independent of each other; ● Securities transactions conducted by the Bank for its own account are separated from those made on behalf of Clients. The Bank utilizes dedicated accounts that clearly distinguish its own assets from those of its Clients; ● The Bank's Risk control function carefully examines each transaction made for its own account, ensuring compliance with the segregation of assets; ● Reconciliations of securities accounts with custodians are regularly performed to verify adherence to the rule of separating assets, further ensuring compliance with the Bank's policies and minimising the risk of conflicts of interest.
<p>An Employee stands to benefit from an interest in the result of a service provided to a Client or a transaction</p>	<ul style="list-style-type: none"> ● Account Managers (RMs) are prohibited from receiving any form of compensation in connection with the distribution of specific products (e.g., funds, stocks, bonds) or specific transactions to their Clients;

<p>carried out on behalf of the Client, which differs from the interests of the Client or the Bank.</p>	<ul style="list-style-type: none"> • General Management ensures compliance with this rule on an annual basis when granting bonuses, working in collaboration with the Human Resources Manager; • If a person is associated with a service provider, correspondent, or financial institution and receives financial support in the context of transactions, the Bank conducts verifications to ensure that such support occurs under market conditions and at normal prices. Compliance has unrestricted access to all transactions, including those conducted on behalf of the Bank, with all service providers, correspondents, or financial institutions, thereby ensuring their compliance with prevailing market conditions; • In cases where a service provider, correspondent, or financial institution has a privileged relationship (e.g., shareholding, partnership) with the Bank, the Board of Directors is regularly informed about the main topics concerning the relationship during each of its meetings; • Regarding transactions conducted for Clients, the Bank adheres to the rules defined in its order execution policy, thereby ensuring fair and transparent treatment of its Clients.
<p>An Employee is placed in a position where they might prioritize the interests of one Client over those of the Bank or another Client.</p>	<ul style="list-style-type: none"> • In committees within the Bank, such as the Account Opening Committee or the Credit Committee, where decisions involving Clients are made, the Member of the Authorised Management in charge of Compliance actively participates as a member, ensuring that compliance with this rule is adhered to during the decision-making process;
<p>An Employee receives or is offered an inducement from someone other than the Client in connection with the service provided to the Client, in the form of services or monetary or non-monetary benefits.</p>	<ul style="list-style-type: none"> • Non-monetary remuneration or incentives offered to or received by third parties in connection with services provided to Clients are permissible only under certain conditions. First, the Client must be informed about these non-monetary remunerations or incentives. Second, such incentives should aim to enhance the quality of the service provided and should not hinder the Bank from acting in the best interests of its Clients. These remunerations and incentives are governed by the Bank's "Remuneration Policy" and the "Policy relating to inducements"; • In the course of the Bank's activities, the individuals involved should refrain from accepting gifts that go beyond customary practices in their respective fields. Gifts valued at more than 300.- euros offered by Clients may potentially create conflicts of interest, and the Bank is committed to avoiding such situations.
<p>An Employee stands to combine the function of the non-executive chairman of the Board of Directors and their control of the Bank via voting rights of Obegi Group.</p>	<ul style="list-style-type: none"> • At least half of all members of the Board of Directors shall be present during voting; • Each member of the Board of Directors shall have the same voting powers and each decision made by the Board of Directors shall be made by a majority of members present or represented; • Appointment of a Chief Compliance Officer and Chief Risk Officer who shall remain independent functions and who can inform the relevant authorities if necessary. • Established third line of defence in the form of an independent internal audit function; • Established various measures and procedures applicable to all Employees with a view of preventing COIs; • Aforementioned measures and procedures are integrated into the Compliance Monitoring Plan.

4.4 Disclosure of COIs

In the event of detecting or suspecting a COI, whether by an Employee or the Compliance department, the information is promptly reported to the Authorized Management. The Authorized Management shall take the necessary actions if a situation is determined to constitute a COI and shall ensure that a record of such COIs with Clients is maintained.

The Compliance department shall also leverage its analysis of complaints and claims to identify cases that may reveal potential COI situations.

Any Employee, Authorized Management, or the Board of Directors can contact the Compliance department and/or the Authorized Management if they have questions or concerns regarding potential conflicts of interest.

If it is not possible to satisfactorily manage a conflict of interest, or if the measures taken do not sufficiently protect the Client's interests, the Client will be informed of the existence of the COI. This communication will be provided on a durable medium and will include sufficient details, considering the nature of the Client, to enable them to make an informed decision about the service affected by the COI.

The Chief Compliance Officer is responsible for informing the relevant authorities if necessary.

5 COI Register

The Chief Compliance Officer is responsible for maintenance of the COI Register that records services or activities involving a significant risk of COIs or where COIs have occurred.

The COI Register is a crucial tool in managing actual or potential COIs, and it is the responsibility of each Employee to promptly inform the Compliance department of such conflicts for appropriate management and recording in the register.

For the template of the COI Register, please refer to [Annex 2 – COI Register](#).

6 Responsibilities in regard to COI

All Employees have the responsibility of identifying and managing of COI. For the detailed and specific responsibilities of Employees, please refer to [Annex 1 – Roles and Responsibilities](#).

7 Review period

This Policy shall be reviewed regularly, and updated every time it is deemed relevant for instance due to regulatory change or evolution of the Bank.

Annex 1 – Roles and Responsibilities

Roles	Responsibilities
CCO (Chief Compliance Officer)	<ul style="list-style-type: none"> • Identification of potential conflicts of interest that may arise and are based on commercial and operational aspects of the Bank; • Check the proper functioning of the Conflicts of Interest Policy; • Help managers of different departments to mediate conflicts and associated problems; • Training of Employees; • Coordination of the management of conflicts of interests between Employees and the Bank’s management; • Regular review and update this Policy; • Provide periodic reports on the effectiveness of the COI management policy; • Develop and coordinate COI training for Employees; • Maintain the register of COI.
Bank’s Employees	<ul style="list-style-type: none"> • Know and respect the rules, codes, policies and procedures and in particular this Policy; • Know the Bank’s Code of Conduct; • Know the potential COI that may arise; • Collaborate to identify and disclose COIs; • Report to the line manager if in doubt about identifying a COI; • Participate in trainings concerning COI provided by the Bank.
Management of the Bank	<ul style="list-style-type: none"> • Analyse periodic reports on the effectiveness of COI management procedures or significant incidents detected by the CCO; • Periodically evaluate the relevance of actions aimed at preventing of potential COIs; • Annually evaluate the design and proper functioning of the Policy with the CCO; • Assume final responsibility for the implementation of the COI Policy.
Internal Audit	<ul style="list-style-type: none"> • Annual review of the policy and control framework; • Annual review of the COIs register and actions taken by the Compliance and Management Body.

Annex 2 – COI Register

N°	Description of the COI	Potential Benefit from Conflicts of Interest	Type of COI ⁱ	Management of COI	Sufficient Mitigation?	Disclosure to Clients
1	Some shareholders are members of the Bank's board of directors	Pressure on the management to maximise profitability of the Bank to the detriment of Bank's risk management	C	<ul style="list-style-type: none"> Each member has the same voting powers; Bank governance manual and control of the Authorized Management. 	Yes	N/A
2	Bank directors are also directors of the shareholders' companies	Benefits from intercompany transactions between the Bank and these companies	C	<ul style="list-style-type: none"> Each member has the same voting powers. Bank governance manual and control of the Authorized Management; Close control of these operations by the Auditor. 	Yes	N/A
3	Members of the Authorized Management are also relationship managers	Transactions for personal purposes or in favour of Clients without effective control	D	<ul style="list-style-type: none"> The Bank's governance provides for a control of operations initiated by all members of the Authorized Management. 	Yes	N/A
4	Shareholders/directors are Clients of the Bank	These Clients would be advantaged compared to the treatment of other Clients. Their transactions would be processed at their advantage and without control.	A / B	<ul style="list-style-type: none"> The shareholders/directors are treated as normal Clients and follow the same process; Sampling checks by the second level (Internal Audit/External reviewer). 	Yes	N/A
5	Members of the account opening committee are linked to the Client	Opening an account without a fair analysis and complete documents and Client information	D	<ul style="list-style-type: none"> Such members abstain in the event of a link with a Client; The CCO is a member of the committee; Sampling checks by the second level (Internal Audit/External reviewer). 	Yes	N/A
6	Credits are granted to Employees	Conditions of credits granted are too advantageous	C	<ul style="list-style-type: none"> Employee credits are granted by the General Management; Sampling checks by the second level (Internal Audit/External reviewer). 	Yes	N/A

7	Acceptance of Gifts likely to influence the receiver's behaviour	Advantages are given to the gift givers over other investors or Clients	B	<ul style="list-style-type: none"> The induction policy and ethic rules to govern these practices. 	Yes	N/A
8	Insider trading and personal transactions	Benefits of knowledge of privileged information	D	<ul style="list-style-type: none"> Market abuse policy. 	Yes	N/A

ⁱ Type of COIs:

A = Client – Bank

B = Client – Client

C = Employee – Bank

D = Employee – Client