

Société Générale Luxembourg (hereafter "SG Luxembourg" or "the Bank") has prepared a policy for the prevention, detection and management of conflicts of interest in accordance with existing regulations emerging from the transposition of the European Directive relating to the markets in financial instruments.

A conflict of interest is a situation in which the Bank conducts business with apparently contradictory objectives, the achievement of which could harm the interests of a customer or a category of customers if the activities are not organised and controlled accordingly.

SG Luxembourg's policy on conflicts of interests seeks to prevent this risk and enhance customer confidence through a system that:

- prevents the possibility of situations of conflicts of interests arising that may lead to the termination of an activity, transaction or mandate.
- allows the ongoing, independent practice of its different activities, with apparently contradictory objectives, in accordance with the priority of the customer's interests and the confidentiality of information.

The main characteristics of the system are:

- organisational and procedural arrangements commonly known as "Chinese walls" that ensure the physical separation of the principal activities likely to enter into conflicts of interest, prohibit the unnecessary circulation of confidential information and prevent the use of information that could undermine market integrity or the interests of its customers,
- specific pre-defined rules designed to prevent any conflict of interest in the context of its activities (private banking, business services, etc),
- administrative and organisational procedures ensuring the independent judgement of the different departments as well as transparency in situations likely to be perceived as conflict of interest situations by third parties,
- procedures which uphold the fair execution of customer orders, particularly in terms of the allocation of assets or financial instruments, and the guarantee that client's orders are treated with priority over the Bank's own-account transactions,
- SG Luxembourg staff remuneration policies prohibiting any direct interest in the success of a specific transaction,
- fee transparency obligations,
- procedures implementing the fundamental principles of discretionary investment management, particularly in terms of the independence and primacy of the customer's interests in the management of mandates.

However, if in some circumstances, this system does not appear to guarantee the absence of conflict of interest risk, SG Luxembourg shall refrain from acting on the customer's behalf, or if confidentiality compliance permits, shall clearly disclose to the customer the general nature or source of the conflict of interest before acting on his behalf so that the customer can make an informed decision.

This system is monitored by the compliance department, which reports to the Corporate Secretary of SG Luxembourg and is independent of the operational divisions.

This system, which is designed to prevent, with reasonable confidence, any breaches in compliance rules and principles, is regularly updated to reflect changes in regulations and includes the bank's own risk anticipation policy. SG Luxembourg intends, under all circumstances, to act in compliance with market integrity and the priority of its customers' interests, which SG Luxembourg sees as an intangible principle that also features in other Mifid measures such as its "best execution" policies and the appropriateness of products and services to customers' needs.

Please address any questions relating to this system to your regular contact person, who will forward your request to the appropriate person within the compliance organisation.