

## Conflicts of Interest Policy

---

### 1 Introduction

In accordance with the applicable regulatory framework, HSBC Private Bank (Luxembourg) S.A (hereafter referred to as “PBLU”) is required to take all reasonable steps to identify and to prevent or manage conflicts of interests. The key information is summarized in this Conflicts of Interest Policy (hereafter referred to as the “Policy”).

### 2 Purpose

The purpose of this Policy is to:

- Identify the circumstances that may give rise to actual or potential Conflicts of Interest involving a risk of damage to the interests of one or more Clients.
- Specify the procedures and measures to prevent or manage Conflicts of Interest.
- Set the rules for keeping records and disclosure of Conflicts of Interest that has arisen, or may arise in the context of ongoing services.

### 3 Definition and Scope

For the purpose of this procedure, “Clients” includes all existing customers, beneficiaries and counterparties, potential clients where PBLU is seeking to enter into a contractual relationship, and past clients where fiduciary or other duties remain in place. Other parties may include HSBC employees, and may also mean other parts of HSBC.

A Conflict of Interest can be described as a situation where an employee or an Entity of the HSBC Group has a vested interest which may actually or potentially be an improper influence on relevant decision-making processes. In identifying Conflicts of Interest, relevant factors include whether an Entity or an employee of the HSBC Group:

- ❖ 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 to the client which is distinct from the client’s interest;
- ❖ has a financial or other incentive to favour the interest of a client or group of clients over the interests of another client;
- ❖ carries on the same business as the client; and/or
- ❖ receives or will receive from a person other than the client an inducement in relation to a service provided to the client.

Conflicts of Interest must be identified with reference to the specific investment services, activities and ancillary services offered by PBLU. This means where the client offering could give rise to a conflict of interest which may damage the interests or one or more of our clients.

A Conflict of Interest may arise in the following situation:

- ❖ HSBC vs Client: where the interests of the bank conflict with the interests of the client;
- ❖ Client vs Client: where one client may be disadvantaged to the benefit of another;
- ❖ An Employee vs HSBC: where an employee at HSBC has a personal interest which could have a negative impact on HSBC;
- ❖ An Employee vs Client: where an employee at HSBC has a personal interest which may have a negative impact on a client; or
- ❖ HSBC vs HSBC: where one part of HSBC and another part of HSBC have interests that conflict with each other.

## 4 Preventing and managing Conflicts of Interest

PBLU has processes and procedures in place to:

- ❖ identify and manage any conflicts relevant to its client offerings;
- ❖ control exchanges of information which could harm the interests of its clients;
- ❖ ensure no inappropriate influence is exercised when carrying out investment, ancillary services or activities.

### 4.1 Independence of Business Lines

PBLU is a distinct business line within the business lines present and operated by HSBC in Luxembourg. Within HSBC in Luxembourg, there are governance arrangements and measures taken to separate decision making process in order to ensure its independence and the proper management of actual or potential conflicts of interest between such business lines, with due regard to their respective clients' interests.

### 4.2 Information Barriers

An information barrier is an established arrangement (which will amongst other things include physical and IT segregation), or a series of arrangements whereby information held by PBLU is kept secret from businesses in other parts of the HSBC Group.

### 4.3 Withdrawal or declining to act

There may be circumstances where it is not appropriate for PBLU to continue to act for a customer or be involved in a particular transaction. In such circumstances, PBLU will need to withdraw from the proposed transaction or relationship. PBLU should not advise a customer on any other matter in which it has a personal interest unless that interest is first disclosed to the customer. In circumstances where the interest cannot be disclosed, e.g. for reasons of confidentiality or where the Conflict of Interest is too great, it may be necessary to inform the customer that advice cannot be given on that matter; e.g. decline to act.

### 4.4 Conflicts of Interest Register

PBLU maintains a Conflicts of Interest Register where all potential and actual conflicts of interest are logged.

## 5 Disclosure

Where PBLU has used all reasonable efforts to manage a Conflict of Interest but those efforts are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, PBLU will consider whether disclosure is appropriate and sufficient to address the conflicts at hand or whether, bearing in mind the risks and client's interests involved, it should refrain from acting for the client and informed the client of the reason of its decision.