



Conflicts of Interest Policy

Introduction

Banco Votorantim S.A., Luxembourg Branch (“BV Luxembourg”) is authorised and regulated by the *Commission de Surveillance du Secteur Financier* (the “CSSF”) as a branch of a third country credit institution under the Luxembourg law of 5 April 1993 on the financial sector, as amended (the “LFS Law”).

In its capacity as a branch of a third country credit institution, Banco BV Luxembourg must, pursuant to article 5(1a) of the Banking Act 1993, have in place robust internal governance arrangements, which include a clear organisational structure with well defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks it is or might be exposed to, and adequate internal control mechanisms, including sound administrative and accounting procedures and remuneration policies and practices allowing and promoting a sound and effective risk management, as well as control and security arrangements for information processing systems.

Article 37-1(5) of the Banking Act 1993, the Central Administration Circular and the Outsourcing Circular clarify how a Luxembourg branch of a third country credit institution such as Banco BV Luxembourg shall comply with the above general obligation when resorting to Outsourcing Arrangements.

Purpose

The purpose of this conflicts of interest policy (the **Conflicts of Interest Policy**) is to set out the guiding principles governing the identification, prevention or management and disclosure of conflicts of interest between the clients of Banco Votorantim S.A. Luxembourg branch (**Banco BV Luxembourg**) (the **Clients**) and Banco BV Luxembourg or between Banco BV Luxembourg and its related parties and third-party sub-contractors, or among its Clients, by Banco BV Luxembourg to ensure that such conflicts do not adversely affect the interests of Banco BV Luxembourg and/or its Clients.

This Conflicts of Interest Policy aims to ensure that Banco BV Luxembourg takes appropriate steps to identify assess, manage and mitigate or avoid all current and possible conflicts of interest with a view to limit the potential impact of those conflicts as much as possible.

Scope

This Conflicts of Interest Policy applies to all business and contractual relationships of Banco BV Luxembourg, the authorised management of Banco BV Luxembourg (the **Authorised Management**), all of its employees (the **Staff**) and service providers or agents (and their respective family members, as defined below, where relevant).

The Conflicts of Interest Policy takes further into account any circumstances which may give rise to a conflict of interest arising as a result of the structure and business activities of other members of the group to which Banco BV Luxembourg belongs (the **Banco BV Group**).

Ownership

The Board of Directors is responsible for establishing and maintaining this policy with support of the Executive Committee, the authorised management, and the responsible persons of the internal control functions.



Periodic review

The scope of this policy is set to be reviewed at least annually, or in cases of significant changes in the applicable laws and regulations, or changes of the operating model of the Luxembourg Branch.

Legal and regulatory framework

The most relevant laws, regulations and standards are listed below (non-exhaustive).

- Circular CSSF 12/552 on Central administration, internal governance and risk management, as amended, in particular, but not limited to, point 7, 73, 100, 112 and 147;
- Circular CSSF 22/806 on outsourcing arrangements, as amended, in particular, but not limited to, point 23, 35, 138 and 142;
- Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, in particular, but not limited to, article 4;
- Regulation CSSF 12-02 on the fight against money laundering and terrorist financing, as amended, in particular, but not limited to article 38, 44, 46 and 49;
- Law of 1 August 2018 on the organisation of the National Data Protection Commission and the general data protection framework, in particular, but not limited to, article 65;
- Circular CSSF 17/665 on ESMA Guidelines for the assessment of knowledge and competence and Circular CSSF 17/670 on external training on knowledge and competence (MiFID II), within the scope of MiFID
- Law of 18 December 2015 on the Common Reporting Standard (CRS)
- Law of 24 July 2015 on Foreign Account Tax Compliance Act (FATCA)
- Law of 25 March 2020 on the mandatory automatic exchange of information in relation to reportable cross-border arrangements

Background

Banco BV Luxembourg is committed and engaged to promoting and maintaining the highest professional standards and practices when providing its services.

Banco BV Luxembourg (including, its Staff) shall at all times act honestly, fairly and professionally and comply, in particular, with the principles set out by the applicable laws and regulations (notably, the legal framework indicated in the introduction).

This Conflicts of Interest Policy describes circumstances, which may constitute or constitute or may give rise to a conflict of interest and the procedures to be followed and measures to be adopted in order to prevent (if possible) or manage such conflicts.

It is designed to ensure that persons engaged in different business activities that may involve a conflict of interest carry on those activities with an appropriate level of independence.

Banco BV Luxembourg maintains and operates effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from adversely affecting the interest of Banco BV Luxembourg or its Clients.

Generally, the Staff must observe the highest standards of professional honesty and ethical conduct, contribute to the good governance of Banco BV Luxembourg and maintain its reputation for integrity and impartiality beyond any reproach. In particular, the Staff must:



- be aware of the existence of any conflicts of interest or an apparent conflict of interest and act in accordance with this Conflicts of Interest Policy. Conflicts of interest can arise in many ways and are not always obvious. The Staff must be aware of those situations in which conflicts of interest are most likely to be present;
- and not abuse or place themselves under suspicion of abusing any information (whether inside information or not) that they have obtained in the course of their employment with Banco BV Luxembourg.

Definitions

For the purposes of this Conflicts of Interest Policy, a conflict of interest is a conflict that arises in any area of Banco BV Luxembourg's business, in the course of providing services which may benefit Banco BV Luxembourg, any of its Staff personally, or a Client for whom Banco BV Luxembourg is acting, whilst potentially materially damaging the interests of Banco BV Luxembourg or other Clients. A conflict of interest may arise in any of the following situations (given as examples and not to be construed as limitative):

- the relevant person is likely to make a financial gain or avoid a financial loss, at the expense of a client;
- the relevant person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- the relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- the relevant person carried out the same business as the client;
- the relevant person receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services.

Conflicts of interest could be of economic, personal, professional or political nature and could be persistent or linked to a single event.

Conflicts of interest may exist at the level of Banco BV Luxembourg or within the Banco BV Group.

Roles and responsibilities

Of the board of directors (or supervisory board)

- responsible as regards the supervision and control, as well as the determination and approval of strategic orientations and guiding principles.

Of the executive committee (management body)

- empowered to set the institution's strategy, objectives and overall direction, oversee and monitor management decision-making, and include the persons who effectively direct the business of the institution.

Of the Branch authorised management



- are responsible and accountable to the management body for the day-to-day management of the entity, including for the implementation of the policies and procedures.

Of the internal control functions – risk and compliance

- are responsible to supervise the implementation and application of the policies and procedures and to recommend, where applicable, enhancements and amendments.

Of the staff, including service providers

- shall comply with the applicable policies and procedures.

Of the internal audit

- responsible to audit the implementation and application of this document.

Guiding principles

➤ Identification of Conflicts of interest

All reasonable steps must be taken to identify conflicts of interest that could arise in the course of providing services by Banco BV Luxembourg. For the purposes of the identification of such conflicts of interest, not only present situations and events which may result in conflicts of interest shall be taken into consideration, but also those in the recent past in so far as these events continue to have a potential impact on the Banco BV Luxembourg or the concerned person.

➤ Preventing or Management Conflicts of Interest

Conflict Prevention

Where a conflict is identified, Banco BV Luxembourg will endeavour to organise its business activities in a manner, to avoid the conflict. This may include considering the appropriateness of external relationships.

In order to address conflicts of interest, Banco BV Luxembourg has adopted the following preventative steps (non-exhaustive list):

- The Banco BV Group's Code of Conduct sets out and defines all the rules of good conduct applicable to everyone within the Banco BV Group;
- Banco BV Luxembourg does not offer, give, solicit or accept gifts or other benefits (value contributions, goods and services) that are considered to be a source of conflict of interest.
- Banco BV Luxembourg does not offer, give, solicit or accept gifts or other benefits to/from public authorities. Any kind of offering of this nature must be formally authorized by chief compliance officer.
- the remuneration system of Banco BV Luxembourg is structured in a way that minimizes conflicts of interest;



- Banco BV Luxembourg shall supply confidential information only to third parties where required and authorised to do so by law or regulations and/or provided that this is under the terms of the provision of the requested services;
- Banco BV Luxembourg adheres to the highest ethical standards in setting out and implementing rules applicable to personal investments made by the employees. Privileged information must not be used to trade or make any investments, either as principal or on behalf of third parties.
- internal controls, particularly those covering the personal activities of Staff, ensure compliance and further support the prevention of potential conflicts of interest. Banco BV Luxembourg does not accept that personal activities of its employees create a conflict of interest with their duties and obligations within Banco BV Luxembourg;
- Banco BV Luxembourg does not accept to contribute in funds, goods or services to campaigns or political causes, on behalf of the Banco BV Group or Banco BV Luxembourg;
- Banco BV Luxembourg does not practice or allow abuse of dominant position or improper business practices with competitors;
- Banco BV Luxembourg does not accept any ownership interests – even through a spouse or family member with suppliers, business partners or competitors of the companies of the Banco BV Luxembourg or Banco BV Group;
- Banco BV Luxembourg does not accept the employment of persons related to its employees within the same unit or the board or in any activity with hierarchical or functional subordination relationship or any position with implies a conflict of interest.

Conflict management

If unavoidable, conflicts of interest must be reported, documented and managed in a way which ensures that Banco BV Luxembourg's and/or the Clients' interests are not adversely affected. This means that the conflict should be managed in such a way that Banco BV Luxembourg conducts its business with integrity and according to high standards of business.

The procedures and measures to be implemented by Banco BV Luxembourg in order to manage identified conflicts should be proportionate to the size and organisation of Banco BV Luxembourg and the nature, the scale and the complexity of its business.

If the adoption or the practice of one or more of those measures and procedures does not ensure the requisite level of independence, Banco BV Luxembourg will adopt such alternative or additional measures and procedures as are necessary and appropriate for those purposes.

Special attention should be paid to the situations set out in Section 6 below.

Procedures

Banco BV Luxembourg identifies, assesses and manages conflicts of interest by means of generic and *ad hoc* procedures.

- (i) Generic procedures:



Banco BV Luxembourg has instituted the procedures set out below to enable it to identify, assess, manage and monitor conflicts of interest that arise in the ordinary course of its business.

Each business line is required to identify and report potential conflicts of interests to the local chief compliance officer. Prior to launch of any new product type or business line the general manager shall map potential conflicts of interest and record them in Banco BV Luxembourg's dedicated register.

(ii) Ad hoc procedures:

The generic procedures referred to above are not a substitute for transaction-specific conflicts management or prevention. Persons dealing with Clients must be familiar with the types of conflicts covered by this Conflicts of Interest Policy and identify such conflicts as and when they arise.

(iii) Reporting and escalation:

Once identified, conflicts are escalated to an appropriate level to assess the correct means of conflict management. Conflicts arising within a business line are referred to the chief compliance officer in charge of that business line. Conflicts arising between business lines are referred to the chief compliance officer (in the first instance), who will in turn refer the conflict to the Authorised Management. Any Staff member which is faced with a conflict of interest, or potential conflict of interest, must promptly inform chief compliance officer at their own initiative.

Any member of the Authorised management faced with a conflict of interest, or potential conflict of interest, must promptly inform the Authorised Management at their own initiative.

The conflicts of interest thus notified and the efficiency of the measures taken to manage them shall be duly analysed and recorded and these members shall abstain from participating in decision-making where they may have a conflict of interest or where they are prevented from deciding with full objectivity and independence.

Once the appropriate method of managing the conflict is determined, the relevant department head or manager is then responsible for ensuring that the conflict is managed in accordance with that method.

Any conflict so identified must be documented in Banco BV Luxembourg's dedicated register, together with the steps undertaken to manage the conflict and the person responsible for deciding on the means by which it is to be managed. That person will also be responsible for ongoing monitoring of the management conflict, to ensure that the steps agreed to manage the conflict are put and remain in place, and that the steps are effective in preventing clients' interests from being adversely affected.

In addition to the procedures established in this document, the principles contained in the Banco BV Group's Code of Conduct and Integrity Program, which also set out mechanisms to prevent conflicts of interest, must be observed.

➤ **Specific Conflicts Management Preventative Provisions**

In addition to the related policies set out in previous sections, the following conflicts management requirements must be always met by the Staff.



(a) Interests in competitors, customers or suppliers

Except with the approval of the risk director, human resources director and the general manager, no person shall serve as an employee, officer, director, or trustee of, or have a substantial interest in or business relationship with, a competitor, Client, or supplier of Banco BV Luxembourg (other than any affiliate or parent) that could create a divided loyalty or the appearance of one.

(b) Client acceptance

Business relationships with related parties are subject to the Authorised Management's approval where they have or may have a significant and negative impact on the risk profile of Banco BV Luxembourg.

(d) Diversion of Banco BV Luxembourg's business opportunity

No person may acquire, or derive personal gain or profit from, any business opportunity or investment that comes to his attention as a result of his employment or association with Banco BV Luxembourg, and in which he knows Banco BV Luxembourg might reasonably be expected to participate or have an interest, without first disclosing in writing all relevant facts to Banco BV Luxembourg, offering the opportunity to Banco BV Luxembourg, and receiving specific written authorisation from the chief compliance officer.

(e) Outside employment and business interests

Outside employment and business interests outside the scope of the contract of employment or contract for services with Banco BV Luxembourg are not permitted unless specifically approved in writing in advance by the chief compliance officer (through consultation with the Authorised Management where appropriate) by providing full and accurate details. It is not permitted to participate in outside employment or business interests outside the scope of employment/services, including personal investments, which interfere with work or which may put the Staff in a position of conflict with the interests of Clients or Banco BV Luxembourg.

(f) Employee loyalty

Employee loyalty may be compromised where the Staff may be considering employment with another entity that Banco BV Luxembourg conducts business with. Therefore, each of the Staff considering employment with a client must contact an Authorised Manager and the chief compliance officer.

(g) Remuneration

Conflicts may arise where there is a direct link between the remuneration of persons principally engaged in one activity and the remuneration of, or revenues generated by, different persons principally engaged in another activity, where the activities in question may give rise to a conflict of interest. Banco BV Luxembourg will remove such direct link.

(h) Specific requirements relating to conflicts of interest involving related parties

The transactions with related parties shall be subject to the Authorised Management's approval where they are significant or could have, individually or on an aggregate basis, a negative impact on the risk profile of Banco BV Luxembourg.

Any material change in significant transactions carried out with related parties must be brought immediately to the attention of the Authorised Management, which must take a new decision. Transactions with related parties must be carried out objectively and in the interest of Banco BV Luxembourg.



Banco BV Luxembourg's interest is not met where transactions with related parties:

- are carried out on less advantageous terms for Banco BV Luxembourg 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 Banco BV Luxembourg 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 Banco BV Luxembourg;
- are contrary to the sound and prudent management principles in the interest of the Banco BV Luxembourg.

The Authorised Management shall establish a decision-making framework dedicated to transactions with related parties which shall specify the value or risk limits above which an isolated transaction or a series of transactions with a related party must be considered as significant or that they could have a negative impact on the risk profile of Banco BV Luxembourg.

A monitoring procedure for these transactions is set up at the level of the Authorised Management.

➤ **Disclosing Potential Conflicts**

If the adoption or the exercise of one or more of those measures and procedures taken by Banco BV Luxembourg (including, the organisational or administrative arrangements) to prevent conflicts of interest from adversely affecting the interest of its Clients is not sufficient to ensure, with reasonable confidence, that risks of damage to Clients' interests will be prevented, Banco BV Luxembourg will as a last resort measure clearly disclose to the relevant Client, before undertaking business on his / her / its behalf:

- the general nature and / or the sources of conflicts of interest;
- the risks to the client that arise as a result of the conflicts of interest; and
- the steps undertaken to mitigate these risks,

in sufficient detail to enable that Client to take an informed decision with respect to the service in the context of which the conflicts of interest arise.

The disclosure described above shall clearly state that the organisational and administrative measures and procedures established by Banco BV Luxembourg to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the Client will be prevented.

That disclosure will be made to the Client using a durable medium and will include specific description of the conflicts of interest that arise in the provision of services, taking into account the nature of the Client, in order to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises. The purpose of such disclosure is to give the client an opportunity to decide whether to continue his/ her/ its commercial relationship with Banco BV Luxembourg, either (i) in respect of a specific transaction or service or (ii) as a whole.



However, if Banco BV Luxembourg considers that the risk of damage to the Client's interests is too important, it will refrain from undertaking business on his / her / its behalf. To that effect, Banco BV Luxembourg may, in some circumstances, reserve itself the right to decline the provision of certain of its services that are in connection with specific investments, as a consequence of the Company's relationship with other clients.

The person responsible for endorsing the disclosure to be sent to Clients under this section will be Legal Department and the Chief Compliance Officer.

➤ **Governance of the Conflicts of Interest Policy**

The Authorised Management is responsible for this Conflicts of Interest Policy and its implementation. This Conflicts of Interest Policy, as well as any change thereof, shall be approved by the Authorised Management and the Chief Compliance Officer. The Authorised Management is also responsible for the review and update of this Conflicts of Interest Policy whenever necessary (in particular, following recommendations from the compliance functions). In any case, this Conflicts of Interest Policy is reviewed on a regular basis and at least once every two years. In this regard, Banco BV Luxembourg shall take all appropriate measures to address any deficiencies. Authorised Management shall be in charge of keeping an historic of updates, which enables the reader to track completed changes.

The Authorised Management will ensure that the Staff is made aware of any amendment to this Conflicts of Interest Policy

The Authorised Management is responsible for promoting, implementing the necessary relevant controls and monitoring the adherence to the Conflicts of Interest Policy. It also has responsibility to ensure the effectiveness of this Conflicts of Interest Policy and to take appropriate steps to address any identified deficiencies. The Authorised Management is responsible to follow-up on decisions taken over the cases of conflicts of interest to assure the conflict or potential conflict was eventually mitigated or resolved.

The identification, escalation (where appropriate), prevention, management and resolution of conflicts and potential conflicts is the responsibility at all times of each Staff as soon as a conflict or potential conflict is identified and at each stage of the conflict management process.

The compliance functions are also in charge of identifying and managing conflicts of interests. Each internal control function must further verify compliance of Banco BV Luxembourg with this Conflicts of Interest Policy in relation to the area for which they are responsible and regularly assess the suitability of this Conflicts of Interest Policy with regards to organisational and operational structure, strategies, activities and risks of Banco BV Luxembourg, as well as with regards to applicable legal and regulatory requirements. The compliance function may make recommendations to amend this Conflicts of Interest Policy, in particular in case of identification of deficiencies, and follow-up on the implementation of its recommendations. Each internal control function is also in charge in relation to the area for which it is responsible to monitor whether remediation measures have effectively been taken and implemented in case a deficiency in relation to this Conflicts of Interest Policy is identified.

➤ **Record Keeping**

Banco BV Luxembourg shall keep and regularly update a record of activities carried out in which a conflict of interest has arisen or, in the case of an ongoing service or activity, may arise, as well as the measures taken to manage them.

Banco BV Luxembourg shall maintain records of the potential conflicts of interest identified, assessed and managed for the period of at least 5 years, without prejudice to any other applicable requirements for a longer duration.



➤ **Education and Awareness**

The Staff receive a copy of this Conflicts of Interest Policy including the conflict of interest charter/matrix. In addition, all Staff are required to give an undertaking of adherence to Banco BV Luxembourg's compliance procedures.

The Staff also receive training in respect of conflicts of interest policy and procedures

➤ **Non-compliance**

Failure to comply with this policy may lead to internal disciplinary action, loss of employment or suspension, criminal or civil legal action, in addition to any action taken by relevant regulators locally.