



NATIXIS TRADEX SOLUTIONS

## **Summary of the prevention, detection and management of conflicts of interests' policy**

Natixis TradEx Solutions, subsidiary of the Natixis Investment Managers group, is an investment services provider and a bank.

Natixis TradEx Solutions is likely to face conflicts of interests situations that may arise when providing investment services to one or more of its clients.

In order to ensure the protection and primacy of clients' interests and to comply with applicable regulations, Natixis TradEx Solutions has put in place a policy and procedures aimed at preventing situations of conflicts of interests that may arise in the exercise of its activities around three areas : prevention, detection and management of conflicts of interests.

The foundation of its conflict of interests management policy are :

- the primacy of customer interests and the equal treatment of customers,
- honesty, loyalty and professionalism,
- the respect of the integrity of the markets.

This document summarizes Natixis TradEx Solutions' policy regarding the management of conflicts of interests that may arise in the conduct of its business. If requested by a client, additional information on this policy will be provided.

### **What is a conflict of interests?**

A conflict of interests is defined as a situation in which Natixis TradEx Solutions or one of its employees or one of its service providers carries out activities whose performance, if the organization put in place is not appropriate, may involve the interests of one or more Natixis TradEx Solutions clients.

For example, this is:

- conflicts involving several customers, for example if Natixis TradEx Solutions, offering its services to two customers, favored one of the two by treating its operations as a priority or preferential;
- those involving Natixis TradEx Solutions and its clients, for example if the Company offered a service that would be more profitable to itself at the expense of the client's interests;
- those involving employees of the Company, for example if the employees were carrying out operations for their own account using confidential information concerning customers.

### **What are the measures taken by Natixis TradEx Solutions to identify conflict of interest situations?**

The identification and anticipation of the risks of conflicts of interest are illustrated by a formal mapping of the risks of conflict of interest, the integration in the process of creation of a new product or a new activity and by the concern to integrate the controls upstream of the decision-making processes.

Thus, in order to characterize the existence of a conflict of interest, the Company has assessed, for example, in its conflict of interest mapping all situations in which it or one of its employees:

- is likely to make a financial gain or avoid a financial loss, at the expense of the client ;
- has an interest in the result of a service provided to the client or a transaction carried out on behalf of the client, which is different from the interest of the client in this result;
- is encouraged, for financial or other reasons, to favor the interests of another client or group of clients over those of the client concerned;

- receives or receives from a person other than the client an incitement in relation to the service provided to the client, in the form of monetary or non-monetary services or benefits.

The conflict of interest prevention mechanism also includes several organizational and administrative provisions that allow the identification of conflicts of interests :

- policies and procedures relating to the code of ethics and professional ethics, which mainly include the provisions for declaring external interests, declaring gifts and benefits and supervising employees' personal transactions, placing orders, etc;
- raising awareness and training of employees and setting up 1st and 2nd level controls;
- the existence of information barriers both for physical independence and the security and circulation of confidential information;
- the existence of a remuneration policy that defines the methods for calculating and paying variable remuneration, in order to avoid any risk-taking incitement to the detriment of clients.

### **What measures are taken to address conflicts of interest?**

The management and resolution of conflicts of interests is based in particular on:

- feedback of relevant employees to Natixis TradEx Solutions's Compliance, Internal Control and Risk Officer;
- organizational or administrative arrangements to preserve the degree of independence required of employees in the performance of their duties;
- the controls of the Compliance, Internal Control and Risks Division of Natixis TradEx Solutions or periodic control;
- Incident management: the application of this procedure makes it possible to preserve the primacy of the client's interest in resolving dysfunctions encountered;
- the adoption of additional measures or substitution if necessary.

When a conflict of interest situation is detected, the head of compliance, internal control and risks, together with the general management, takes the appropriate measures to resolve the conflict.

Any service or activity of Natixis TradEx Solutions for which a conflict of interest involving a significant risk of harm to the interests of one or more customers has occurred or is likely to occur will be recorded in the register which lists all the situations of this type.

In some complex or particular cases, organizational and administrative arrangements may be insufficient to ensure with reasonable certainty that the risk of harming the interests of clients is avoided. In this case, Natixis TradEx Solutions will inform Clients in a clear and appropriate manner, of the nature and source of these conflicts of interest, in order to enable them to make an informed decision.

The system put in place by Natixis TradEx Solutions is regularly reviewed. The procedures are updated according to the evolution of the regulatory or organizational changes and the conflict of interest mapping is reviewed at least annually.