Information Leaflet concerning Conflicts of Interest

This information leaflet is issued pursuant to the obligations under the Financial Services Act (FInSA), particularly with respect to the adoption of suitable organisational measures to prevent conflicts of interest that may arise from providing financial services or to keep such conflicts from causing harm to clients.

Cornèr Bank Ltd (hereinafter the "Bank") fulfils its conduct obligations under the FInSA by implementing a suitable organisation and a series of procedures summarised in the measures described in this information document. By suitable organisational measures, we mean effective organisational arrangements commensurate with the risks and suited to the Bank's size, complexity and financial services offered.

The Bank considers that the identification and proper management of conflicts of interest, like all conduct obligations that may arise in the context of providing financial services, are not only mandatory regulatory requirements but also ensure optimal protection of its clients' interests, while simultaneously maintaining high-quality service standards that safeguard the Bank's reputation vis-à-vis the market and supervisory authorities.

1. Identification of conflicts of interest

The Bank constantly reviews its conflict-of-interest policy at intervals aligned with its own product and service development, together with statutory and regulatory changes.

In particular, the Bank has identified the following areas of application in which potential conflicts of interest may arise:

- relationships between the Bank and client (conditions that are disadvantageous or potentially harmful to the client but, by contrast, unilaterally favourable or advantageous to the Bank);
- relationships between a Bank employee and the client (conditions that are advantageous to an employee to the detriment of a client's interests);
- business relationships with clients (preferential treatment applied at the discretion of the Bank or of its employees that may benefit one or more clients over others).

The Bank identifies the following source of conflicts of interest that may affect the provision of financial services (particularly, the purchase or sale of financial instruments, asset management, investment advisory services, issuance and distribution of the Bank's own financial instruments, execution-only processing of client orders, etc.):

- **compensation from third parties** for structured products and funds offered or recommended to clients. The Bank maintains relationships with third parties based on agreements entered into for the offer of investment funds and structured products, agreements or arrangements for management, custody, brokerage or distribution that exist independently of the contract entered into with the client and may generate compensation to the benefit of the Bank;
- **financial advantages** arising from the issuance, placement and trading of Bank's own products (such as investment funds, structured products, including Actively Managed Certificates (AMCs), and bonds), with the possibility of double dip, and/or from the placement of fiduciary investments with branches or companies of the Cornèr Bank Group;
- access to **insider information;**
- use of **financial analysis** analysis services provided by brokers or third parties;
- **activities of Bank employees**, acceptance of gifts and reward systems, taking on external mandates;
- **trading in financial instruments** by clients, or trading on own account (by employees and proprietary trading conducted by the Bank);

As part of its offering of financial services and products, the Bank considers both third-party products and proprietary financial instruments when selecting the financial instruments to be placed with or recommended to its clients. The range of the Bank's own financial instruments, in particular funds, bonds and structured products, including AMCs, comprises instruments issued and/or managed in collaboration with third-party providers, as well as instruments designed and issued by the Bank itself or by companies belonging to the Group. Within the scope of:

- **discretionary asset management mandates**

Portfolio composition may include a significant allocation to financial instruments attributable to the Bank or to the Cornèr Bank Group, particularly depending on the characteristics of the adopted investment strategies and the portfolio construction methods. In such cases, proprietary instruments may represent a relevant component of the portfolio assets. Furthermore, for certain asset classes — for example structured products or equity, bond or mixed asset classes — the Bank may provide for the predominant or exclusive use of proprietary financial instruments issued by the Bank or by entities of the Cornèr Bank Group (in particular investment-funds and, among structured products, including AMCs).

- **investment advisory mandates**

Within investment advisory mandates, the considerations relating to portfolio composition described in the preceding paragraph apply in principle, subject to the fact that, in advisory mandates for financial investments, the final investment decision rests with the client. In this context, the presence of proprietary products attributable to the Cornèr Bank Group is generally more limited within client portfolios.

The predominant or exclusive use of proprietary financial instruments may give rise to a potential conflict of interest where the Bank derives economic benefits from their issuance, structuring or distribution, in particular where multiple functions are performed simultaneously. Such situations are addressed through specific organisational and control measures in accordance with applicable regulations.

Third-party products, in turn, may be subject to separate distribution agreements and arrangements that exist independently of the contract entered into with the client and that may cause the Bank to benefit from distribution fees, retrocessions, incentives, rebates, discounts and/or other monetary or non-monetary benefits ("third-party compensation").

2. Organisational measures and arrangements aimed at conflict-of-interest management

The Bank fulfils the obligations under the FInSA by implementing a series of procedures and a suitable corporate organisation, which may be summarised by the following measures intended to rule out or mitigate conflicts of interest as far as possible:

- implementation and adoption of **internal policies and directives**, that enable defining the principles and rules of market conduct and organisation. Such internal principles ensure compliance with the Bank's market conduct obligations, the functioning and transparency of the markets, the equal treatment of investors, and suitable management of conflicts of interest;
- **identification and management of conflicts of interest**, definition of processes intended to rule out/mitigate conflicts of interest;
- investment solutions based on **processes of selection and placement** of financial instruments (whether third-party or proprietary) structured with multiple evaluation phases, with the usual qualitative and quantitative criteria used in the sector (performance expectations, risk profile alignment, diversification, costs and accessibility, etc.), allowing for identification of competitive financial instruments that reflect the Bank's investment philosophy while simultaneously meeting the client's expectations;
- **periodic analysis and constant supervision of risks** related to market conduct rules and management of the identified conflicts of interest by control bodies dedicated to process monitoring within the Bank's internal control system;
- **separation of functions** and tasks, adoption of information barriers to limit/block flows of insider information between various areas ("*Chinese walls*" and specific boundaries of confidentiality based on the "*need to know*" principle). To minimise conflicts of interest, the Bank has organised its own internal departments according to a principle of functional separation and organisational independence of departments and individuals in order to prevent exchanges of information (e.g., between relationship managers, the Markets Room, Back Office, etc.) that might favour the interests of individual employees or of the Bank itself to the potential detriment of the clients' interests. The measures put in place are concretely implemented through the compartmentalisation of roles, the separation of areas and offices, limited-access IT systems, distinct information flows, restrictions on reporting lines, and limitations on information sharing;
- **exclusion of incentives within the Bank's employee remuneration system** that might encourage employees to sell the Bank's own instruments or other instruments for which the Bank receives compensation from third parties, to the detriment of the clients' actual interests. The Bank ensures that placement decisions (or investment advice) are independent of employee remuneration, avoiding any direct correlation through the use of sales targets;
- **employee training and awareness building.** In various internal training sessions, the Bank promotes employee integrity together with a healthy risk culture aimed at building awareness of legal, financial and reputational risks. The Bank's employees are instructed on how to identify, report and, if necessary, manage any conflicts of interest;
- **disclosure of information to clients** in the event that the measures put in place fail to sufficiently prevent or mitigate the occurrence of a conflict of interests. In the presence of conflicts of interest that be detrimental to its own clients, the Bank informs the clients directly or by sharing information documents through its own dedicated channels that describe the nature and origin of the conflict as well as the specific associated risks so that the clients can assess the situation beforehand and make a well-informed decision on whether or not to avail themselves of the financial service in question. The various types of compensation and the corresponding percentage rates are generally stated in the term sheet or prospectuses of each product, which clients may consult before making the purchase or availing themselves of the financial service. Moreover, the Bank provides its clients with information documents concerning compensation from third parties, particularly the amount of the compensation and/or percentage ranges per category of financial instrument.

  Further details are included in the Information Leaflet on Compensation from Third Parties, which forms an integral part of the Safekeeping Account Conditions. On request, the Bank shall supply the client with detailed information about Compensation collected by the Bank in connection with the client.
- **if a conflict of interests cannot be effectively prevented or mitigated, or if the measures and arrangements are deemed insufficient to resolve a specific conflict situation in a satisfactory manner, the Bank may waive certain incentives or refuse to provide the relevant service to the clients affected by the conflict.**