

Information regarding the way we  
deal with conflicts of interest at the  
ICM InvestmentBank AG

## General

Conflicts of interest cannot always be ruled out, in particular, by investment service providers who, among other things, provide a variety of services and ancillary services to their clients. In accordance with the provisions of the German Securities Trading Act, we will inform you below about our far reaching provisions for dealing with these conflicts of interest.

ICM has taken effective organizational measures to identify and prevent or manage conflicts of interest. These include the identification of possible conflicts of interest, the writing down of principles for the handling and the observance of the regulations in dealing with possible conflicts of interest.

Despite all measures, it is not always possible to avoid or solve conflicts of interest. In this case, ICM is obliged to disclose the relevant conflicts of interest to the customer. ICM has therefore taken many of the following precautions to deal with the conflicts of interest:

### Arising of conflicts of interest

At ICM, **conflicts of interest** may arise between customers and ICM, persons employed by ICM, including senior management, persons who are linked by control to ICM and other clients in the following securities services / ancillary services:

**Financial commission business** (acquisition or sale of financial instruments in own name for foreign account),

**Proprietary trading** (acquisition or sale disposal of financial instruments for own account as service for others),

**Financial commission business** (acquisition or sale of financial instruments in own name for foreign account),

**Investment intermediary service** (advisory transactions concerning the purchase and sale of financial instruments or their proof),

**Placement business** (placing of financial instruments without a firm take-over obligation)

**Financial portfolio management** (management of single or multiple assets invested in financial instruments for others with discretionary powers),

**Investment advice** (giving personal recommendations to clients or their delegates relating to transactions with certain financial instruments, provided that the recommendation is based on or considered appropriate for an audit of the personal circumstances of the investor and is not given solely through information distribution channels or is made known to the public).

**Drawing up, distribution or transmittal** of financial analyses or other information about financial instruments or issuers that contain either directly or indirectly a recommendation for a specific investment decision and services relating to an underlying asset.

Possible conflicts of interest arise for example:

- In case of direct success related remuneration to employees;
- In case of direct attribution of remuneration to employees of ICM by third parties;
- arising from other business activities, in particular ICM's interest in proprietary trading profits;
- from relationships of ICM or other parties related to issuers of financial instruments, for instance in case of existence of a credit relationship, participation in emissions, cooperations;
- in the drawing up of financial analyses of financial instruments that may be the basis for an investment decision by clients as a result of their publication;
- by obtaining information that is not publicly known;
- from personal relationships of the employees or management of ICM or its affiliates or the participation of such persons in supervisory or advisory boards
- from other business activities of our company, in particular from the risk and investment management of funds entrusted to us by an investment management company (KVG)

## Measures

In order to avoid that external interests, e.g. advisory, execution of orders or the management of assets, ICM has committed itself and its employees to adhering to high ethical standards. These include at all times lawful and professional action, as well as the observance of the market rules and constant consideration of the customer's interest.

The **compliance** department, which is directly subordinate to the management, is incumbent on the continuous identification, prevention and management of conflicts of interest.

Specifically, ICM takes among other the following measures:

- The monitoring of turnover frequency in the managed accounts
- Creation of processes to safeguard customer interest in the order execution, investment advice and asset management (e.g. monitoring and approval of procedures for new products and services in order to detect and prevent potential conflicts of interest, internal work instructions and guidelines);
- Preserving existing and creating new areas of confidentiality by maintaining or establishing information barriers, separation of responsibilities and territorial separation;
- Maintaining an insider or observation list to monitor sensitive information and prevent abuse of insider information
- Keeping a block list, which among other things serves to counter possible conflicts of interest by business or consulting bans or a ban on the publication of financial analyses;

- Disclosure of securities transactions of such employees to the compliance office where conflicts of interest may arise in the course of their activities (supervision of compliance with staff guidelines);
- Organizational requirements (internal guidelines), which stipulate among others that for certain employees no variable remuneration measured on the basis of the sales success may be agreed in order to prevent interference by external interests;
- Prevention of improper influence;
- Ongoing training of ICM staff;
- Disclosure of conflicts of interest which cannot be avoided or solved;
- By means of financial analyses drawn up or prepared by ICM (for example, perspectives) ICM provides separately information about relevant potential conflicts of interest.

You can request ICM at any time to send you more specific information about existing conflicts of interest and the measures taken by ICM.