



SUMMARY OF JSC RIETUMU BANKA POLICY ON CONFLICTS OF INTEREST

JSC Rietumu Banka, trading as Rietumu Banka, is authorised by the Financial and Market Commission in Latvia and is regulated by the Central Bank of Ireland for conduct of business rules.

This Policy on Conflicts of Interest applies to circumstances which constitute (or may give rise to) a conflict of interest entailing a risk of damage to the interests of customers of JSC Rietumu Banka (**Bank**), who may be deemed 'consumers' for the purpose of the Consumer Protection Code 2012 (**Customers**).

This Policy seeks to provide guidance on how to: identify possible situations which may give rise to a conflict of interest; evaluate and manage those situations; and define the procedures on how to minimise (and where possible remove) conflicts of interest.

IDENTIFYING A CONFLICT OF INTEREST

A 'conflict of interest' is a situation where an employee and/or officer of the Bank, whilst performing his or her professional duties (or other related activities), is in a position whereby he or she may (directly or indirectly) influence his or her personal or economic interests, or those of his or her relative or business partner (**Conflict of Interest**).

OBJECTIVES

In developing and implementing this Policy, the Bank wishes to pursue the following objectives:

- To ensure that all officers and employees follow the rules and provisions of this Policy;
- To identify, document and eliminate situations giving rise to Conflicts of Interest;
- To ensure the independence of separate units of the Bank;
- To ensure the clarity, accuracy and authenticity of the information provided to Customers;
- To ensure that conditions for business affecting the Bank's officers and/or employees (or individuals and/or entities closely associated with those individuals or the Bank), do not differ from those which are offered to the persons not associated with the Bank;
- To ensure that the Bank's officers and/or employees, when performing their professional duties, eliminate the circumstances which give rise to Conflicts of Interest and avoid making decisions on behalf of the Bank where he or she faces the Conflict of Interest; and
- To ensure that the Bank's management is informed about identified circumstances of Conflicts of Interest and of measures adopted for the elimination of those Conflicts of Interest. The Bank's management will oversee the application of relevant corrective measures.

MINIMISING POTENTIAL CONFLICTS OF INTEREST

1. No officer or employee of the Bank may offer, give, solicit or accept any gifts or rewards (monetary or otherwise) likely to conflict with any of their duties of the recipient in relation to his or her role within the Bank, or the Bank itself.

2. All officers and employees of the Bank are required to undertake ongoing training in relation to the Bank's internal procedures and this training includes consideration of this Policy.

3. The Bank will ensure that its remuneration arrangements with employees in respect of providing, arranging or recommending a product to its Customers, are not structured in such a way as to have the potential to impair the Bank's obligations to act in the best interests of Customers; and/or impair the ability of the Bank to fulfil its obligations to determine the suitability of a product for a given Customer (in accordance with Chapter 5 of the Consumer Protection Code 2012).

4. If the Bank enters into an agreement under which it receives goods or services, in return for agreeing to direct business through or in the way of another person (**Soft Commission Agreement**), the following conditions will apply:

- Any business transacted under the agreement must not conflict with the best interests of the Bank's Customers;
- Where the Bank determines that a Customer may be affected by a Soft Commission Agreement:
 - the Customer must be made aware of the Soft Commission Agreement and of how the Soft Commission Agreement may affect them; and
 - a copy of the Soft Commission Agreement must be made available to the Customer on request;
- Services offered by the Bank under a Soft Commission Agreement must be used to assist in the provision of services to Customers; and
- The Bank must provide to any affected Customer details of any changes in its policy on Soft Commission Agreements promptly after implementation of any such changes.

MANAGING CONFLICTS OF INTERESTS

REPORTING OF CONFLICTS OF INTEREST

5. The Bank may become aware of a Conflict of Interest through a number of means, for example during the course of its business relationship of Customers (including its understanding of the structure or activity of its Customers).

6. Where an officer or employee of the Bank becomes aware of a possible or confirmed Conflict of Interest, he or she must report same in accordance with the internal regulations of the Bank.

7. Where an officer or employee of the Bank becomes aware of a possible or confirmed Conflict of Interest, he or she may not make, or cause another person to make, a transaction which would affect his or her personal or economic interests (or those of his or her relative or business partner), on the basis of information which gives rise to the Conflict of Interest.

8. For the avoidance of doubt, this does not prevent an officer or employee of the Bank from conducting business with the Bank in the normal course provided that such business does not involve use of the information which gives rise to, or such business otherwise may give rise to, a Conflict of Interest.

INFORMING THE CUSTOMER

9. Where a Conflict of Interest arises which cannot be reasonably avoided, the Bank will:

- Disclose the general nature and/or source of a Conflict of Interest to the affected Customer; and
- Ensure that the conflict does not result in damage to the interests of the consumer.

10. Once an affected Customer has been notified of a Conflict of Interest, the Customer must acknowledge (on paper or by email), that he or she is aware of the Conflict of Interest and still wishes for the Bank to undertake business on behalf of the affected Customer.

INFORMATION BARRIERS

11. In order to minimise the risk of Conflicts of Interest arising, the Bank will ensure that it employs appropriate arrangements within its organisation (including any associates of the Bank) to ensure that information (which could potentially give rise to a Conflict of Interest or be open to abuse) held by one unit of the Bank would be withheld in certain circumstances from other units of (and/or other individuals within) the Bank.

12. The Bank will inform all officers and employees who may fall within scope of these appropriate arrangements that it will employ these arrangements where appropriate.