



Rabobank



CONFLICTS OF INTEREST POLICY

For

RABOBANK in IRELAND ENTITIES

For Internal Use Only

Policy Owner	Compliance Department
Next review date	31 July 2017

Version Control	Issue Date	Completed by	Reviewed by:	Approved by
v 0.1	03.11.11	Compliance Department – based on revised Group Policy		
			Legal Dept.	
			Human Resources Dept.	
v 1.1	30.06.2014	Compliance Department – Review of Policy	Noel Glennon	Mairead Butler – Head of Compliance
V2.0	June 2014			Management Team
V3.0	July 2015	Compliance Department – based on revised Group Policy.	Hugh Place	Management Team

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1. INTRODUCTION

1.1 GENERAL BACKGROUND

This Policy applies to ACC Loan Management Limited, Rabobank Ireland plc and Rabobank Dublin (including RaboDirect) otherwise known as “Rabobank in Ireland”.

Rabobank in Ireland is committed to ensuring that our business is conducted in an honest and professional manner. All employees of Rabobank in Ireland are obliged to refrain from doing anything that could be reasonably regarded as creating a conflict of interest in line with their professional responsibilities.

However, from time to time it is unavoidable that Conflicts of Interest may arise:

- between the interests of two or more Clients to whom Rabobank in Ireland in each case owes a duty,
- between the interests of Rabobank in Ireland and the duty Rabobank in Ireland owes to its Clients,
- between staff and Clients and/or Rabobank in Ireland (or any other Rabobank entity),
- between Rabobank in Ireland and significant suppliers or Business Partners,¹
- between Rabobank in Ireland and other related parties (e.g. Rabobank in Ireland’s parent company or subsidiaries).

It is essential for Rabobank in Ireland to be able to identify these situations, maintain, and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to manage and prevent conflicts from adversely affecting the interests of its Clients or other stakeholders.

This Policy is to be reviewed by Rabobank in Ireland Compliance (“Compliance”) at least once every two years.

1.2 SCOPE OF THE POLICY

This Policy aims to set out the minimum standards, which have to be adhered to by all business lines and business units of Rabobank in Ireland (insofar as applicable to their business).

This local Policy is based primarily on the Rabobank Group Policy on Conflicts of Interest², which covers all Rabobank Entities and employees within the Rabobank Group. It is also based on the Rabobank Global WRR Standard on Conflicts of Interest, which further specifies the requirements of a number of related Group policies.³

The Rabobank in Ireland Policy also takes into account local requirements, in particular requirements of the Consumer Protection Code 2012 and the European Communities (Markets in Financial

¹ As defined in the ‘Policy Framework Anti-Corruption Rabobank Group 2014’ and the ‘Guidance Paper Business Partners’ 2014.

² Group Policy dated 2 February 2015.

³ WRR Standard approved by MT WRR in May 2015. Includes requirements on three Group policies: Conflicts of Interest; Information Handling and Information Barriers; Personal Account Dealing.

Instruments) Regulations 2007. The Policy is written at a high level to address both the retail and wholesale businesses and cannot address every aspect of this topic.

For any questions related to this Policy, please contact Compliance:

□ fm.ie.acc.Compliance or fm.ie.dublin.complianceIFSC

This Policy (and associated documentation) is available on the Compliance SharePoint page.

Important

The Boards of Directors of ACC Loan Management Limited and Rabobank Ireland plc have adopted a separate Conflicts of Interest Policy for Directors (in line with, inter alia, the Central Bank of Ireland's Corporate Governance Code for Credit Institutions and Insurance Undertakings 2013), which is maintained by the Company Secretary.

1.3 PURPOSE OF THE POLICY

Conflicts of Interest may lead to legal, regulatory and reputation risks and may result in criminal prosecution, civil claims by Clients or other involved parties and administrative sanctions being imposed by the Central Bank of Ireland.

The purpose of this Policy is therefore:

- To identify, with reference to the specific services and activities carried out by or on behalf of Rabobank in Ireland, the circumstances which constitute or may give rise to a Conflict of Interest entailing a risk of damage to the interests of one or more involved parties;
- To specify the procedures to be followed and the measures to be adopted in order to assist the business in managing such conflicts in accordance with applicable laws and regulations.

Conflicts of Interest may arise in various business areas and circumstances. This Policy is designed as an umbrella policy above all existing policies and procedures, which deal (in whole or in part) with Conflicts of Interest in specified business areas or specified circumstances within Rabobank in Ireland. These specific policies and procedures are referred to throughout this Policy.

2. DEFINITIONS

For the purposes of this Policy, the subsequent words have the following meanings:

Business Partner

A natural person or legal entity that supplies goods to and who provides services for or on behalf of, an entity of the Rabobank Group or with which a Rabobank Entity has an alliance.⁴

Chinese Walls (information barriers)

An arrangement to prevent 'Confidential Information' from becoming known outside the circle of persons who need to be aware of this information as part of their duties, profession or position. To prevent or monitor the exchange of information between employees performing different activities involving a risk of a Conflict of Interest, if the exchange of this information may be harmful to a Client's interests.

Client

A (legal) person obtaining products and/or services provided by a Rabobank entity based on an agreement. In the context of this Policy, a Client also includes prospects to which a verbal or written offering of a services or product has been made.

Compliance Officers

Compliance Officers are those Employees who hierarchically and/or functionally report to (ultimately) Supervision & Compliance. This can thus be local, Group or Global Compliance Officer or Compliance specialist/analyst.

Confidential Information

Any information (including Inside Information) obtained in the course of an Employee's employment, which is not in the public domain and which is related to Rabobank in Ireland, its Employees, its Clients, its suppliers, or to third parties, that is subject to confidentiality (either by agreement or otherwise).

Conflict of Interest

An actual or potential Conflict of Interest arises where two or more parties (could) have competing interests. In this Policy, a Conflict of Interest means that acting in the interest of one of the parties can entail not (or not fully) acting in the interest of the other party (parties).

Consumer

Means any of the following:

- A) A person or group of persons, but not an incorporated body with an annual turnover in excess of €3 million in the previous financial year (for the avoidance of doubt a group of persons includes partnerships and other unincorporated bodies such as clubs, charities and trusts, not consisting entirely of bodies corporate); or

⁴ Some examples of Business Partners are, but not limited to, third parties such as intermediaries, charity organisations, sponsorship parties, consultants, representatives, distributors, consortia, contractors, suppliers or joint venture partners.

- B) Incorporated bodies having an annual turnover of €3 million or less in the previous financial year (provided that such body shall not be a member of a group of companies having a combined turnover greater than the said €3 million).

In addition, includes where appropriate, a potential ‘consumer’ (within the meaning above).

Employee

Anyone employed by Rabobank in Ireland, whether under a permanent, secondment, contractual basis or temporary contract.

Identification Assessment

A periodic assessment, which is an analysis of Conflicts of Interests relevant for that specific Rabobank Entity.

Inside Information

Specific information (also called: price sensitive information) that relates directly or indirectly to an issuer⁵ of financial instruments to which the financial instruments pertain, or to the trade in those financial instruments. If the information has not been publicly disclosed and whose disclosure might have a significant influence on the price of the financial instruments or on the price of derivative financial instruments.

MAC Unit

The expertise unit of Rabobank on the subjects of Market Abuse, Anti-Corruption and Conflicts of Interest. The MAC Unit is part of Supervision & Compliance and is based in Utrecht.

Rabobank Entity

Business Lines and (staff) departments within the Coöperatieve Centrale Raiffeisen-Boerenleenbank, B.A (CCRB), a member bank, foreign branch and/or a legal entity in which the CCRB holds a direct or indirect majority stake (capital interest or voting rights) and any other Rabobank entity as appointed by the Executive Board of Rabobank.

Rabobank in Ireland

The organisation comprising of the Rabobank entities operating in Ireland: ACC Loan Management Limited, Rabobank Ireland plc and Rabobank Dublin (including RaboDirect).

Sensitive transaction

A transaction where Inside Information is involved as input or which constitutes Inside Information itself, or transaction, which entails an identified or potential Conflict of Interest between different Clients or between Rabobank and a Client.

Soft Commission

Any agreement under which a Central Bank of Ireland regulated entity (operating in Ireland) receives goods or services, in return for which it agrees to direct business through or in the way of another person, where a ‘person’ means a natural person or a legal person.

⁵ Which, for the avoidance of doubt, may be a Client, a subsidiary or participation of Rabobank, Rabobank itself, or any other company having issued financial instruments.

3. CONFLICT OF INTEREST

3.1 ACTING IN THE INTEREST OF THE CLIENT

Rabobank in Ireland will promote the interests of its Clients in an honest, fair and professional manner when providing services, will act in an honest, fair and professional manner when performing other business activities and shall refrain from actions that are detrimental to the integrity of the market.

The Rabobank Group *Code of Conduct* contains the basic principles for conduct of each individual employed by Rabobank Group in relation to Clients. A Rabobank in Ireland Code of Conduct supplements this Group Policy and both Codes are accessible through the Human Resources SharePoint site.

3.2 IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST

A Conflict of Interest arises where two or more competing interests are present and where acting in the interests of one of the parties (which could be a Client, a group of Clients, Rabobank in Ireland, any other Rabobank entity, Business Partner, or an Employee) would or could mean acting contrary to the interests of the other party or parties.

In determining whether there is or may be a Conflict of Interest to which this Policy applies, Rabobank in Ireland considers whether there is a risk of financial and/or reputational damage to the Client, Business Partner, Rabobank in Ireland itself and/or its Employees, taking into account whether any of the aforementioned:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the Client or Business Partner or Rabobank in Ireland;
- 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;
- Has a financial or other incentive to favour the interest of another Client and/or Business Partner or group of Clients over the interests of the Client and/or Business Partner or Rabobank in Ireland;
- Carries on the same business as the Client and/or Business Partner;
- Receives or will receive from a third party or the Client an inducement in relation to a service provided to the Client and/or Business Partner, in the form of monies, goods or services, other than the standard commission or fee for that service.

Some Conflicts of Interest may arise merely because Rabobank in Ireland (or another Rabobank entity) is involved in a broad range of business activities with different Clients. Others may arise because of the specific circumstances of particular business activities. Areas of concern include, but are not limited to:

- the provision of (investment, food & agri. or other) research and advice,
- any form of proprietary trading,
- any form of portfolio management,
- underwriting and/or participating in an offering of securities,
- advising on mergers and acquisitions,
- acquisition financing,
- Special Asset Management and similar departments,
- Global Client Solutions,
- external positions held by Employees.

3.3 CIRCUMSTANCES THAT CONSTITUTE OR MAY GIVE RISE TO CONFLICTS OF INTEREST

Set out below are some non-exhaustive circumstances/examples of what may be considered typical Conflicts of Interest that may arise in relation to the services provided by Rabobank in Ireland. They do not equally apply to all business entities and business lines.

Conflicts between the interests of two or more Clients to whom Rabobank in Ireland (or any Rabobank entity) owes in each case a duty

Where Rabobank in Ireland (or any Rabobank entity):

- Wishes to participate in both sides of a transaction or on behalf of two different parties in the same transaction; e.g. where Rabobank provides credit and/or advice to a seller and credit to a bidding party on a specific asset;
- Provides credit to two bidders on the same asset;
- Provides credit to different Clients which are competitors in the same industry sector;
- Has received Confidential Information from a Client - this information cannot be used by any Rabobank entity in its dealings with or for another Client except with the prior consent of the Client who provided the information.

Conflicts between the interests of Rabobank in Ireland and the duty of Rabobank in Ireland owed to its Clients

- Where there are affiliated companies in a group and Rabobank in Ireland's Client is one or more of these, expectations of confidentiality and independent treatment must be met; or

If Rabobank in Ireland:

- Provides advice to a Client whilst having an (undisclosed) interest (e.g. a material shareholding in a relevant party) in the transaction;
- Provides investment research in relation to an entity to which it also may provide advisory services;
- Provides finance facilities for, and may participate in the equity or a project of a Client;
- Wants to disclose in general the total internal knowledge about its Clients to increase cross-selling opportunities;
- Distributes its products to consumers through an intermediary, it must not require that the intermediary introduce a specified level of business from consumers in order to retain a letter of appointment from Rabobank in Ireland⁶.

Conflicts of Interest between staff and Clients and/or Rabobank in Ireland

Where an Employee:

- Could personally profit from the misuse of Confidential Information;
- Accepts gifts or invitations for entertainment from (potential) Clients, which exceeds the standards outlined in the Rabobank in Ireland *Gifts & Entertainment Policy*;
- Fulfils an external position (this includes engaging in gainful employment, business or farming outside of their employment with Rabobank in Ireland) Further guidance on dealing with outside interests can be found in Rabobank in Ireland's *Outside Interest Policy*;

⁶ Example taken from the Consumer Protection Code, s. 1.30

- Engages in any business dealings or has a direct or indirect financial interest in, or a financial relationship with, a competitor of Rabobank in Ireland, supplier or customer;
- Takes part in any decision on behalf of Rabobank in Ireland involving a company that employs his/her spouse (or equivalent) or other family member;
- Directly invests in distressed assets, in which Rabobank in Ireland have an interest, or using information obtained whilst in employment to help others to invest in such assets;
- Has a relationship with an Employee under his/her direct control, which could cause others to lose confidence in his/her objectivity as a Manager.

Each business line or business entity should have processes in place that enable them to identify any potential Conflicts of Interest that may arise and report them in line with the following section.

3.4 PROCEDURES ON REPORTING CONFLICTS OF INTEREST

The method by which a Conflict of Interest should be reported internally will depend on the nature of the conflict. However, in general the following reporting channels should be followed:

For Conflicts of Interest (or potential Conflicts of Interest) involving Inside Information

- All Inside Information on (potential) Clients and transactions must be reported without delay to Compliance;
- All Inside Information on products of Rabobank Group should be reported without delay to Compliance;
- If Inside Information is to be shared, management should consult Compliance beforehand.

Due to the highly sensitive nature of Inside Information and the potential for such information to be misused (including through insider dealing / market abuse, which may constitute criminal activity), immediate reporting to Compliance is necessary. Compliance may provide specific reporting forms to employees that need to be completed and returned to Compliance.

Compliance will liaise with the MAC Unit in WRR (in Utrecht) in respect of all conflicts of interest involving Inside Information.

All other Conflicts of Interest (or potential Conflicts of Interest)

All employees are required to report immediately any (potential) Conflicts of Interest to Compliance. A report can be made via email to the Head of Compliance. Compliance maintains a Conflicts of Interest Register, which, for each reported (potential) Conflict of Interest, includes the following details:

- Date the conflict was identified;
- Who identified the conflict;
- The affected Client(s) name;
- A description of the conflict;
- Compliance's view on the nature of the conflict;
- The action taken to mitigate the conflict;
- Whether the Client has been notified.

Management must ensure that the MAC Unit is informed on a timely basis if a Conflict of Interest could affect the reputation of the Rabobank Group or involves more than one Rabobank Entity.

Records related to Conflicts of Interest must be kept for a minimum period of five years after the date of closure or finalisation of a specific transaction or, with regard to ongoing services/relationships, for a minimum period of five years after a specific disclosure has been agreed upon between a Client or Business Partner.

All information related to Conflicts of Interest will be kept in accordance with Rabobank in Ireland's *Data Protection Policy*.

4. MANAGEMENT OF CONFLICTS OF INTEREST

Management must adopt measures to manage Conflicts of Interest adequately. Organisational and administrative arrangements made to manage Conflicts of Interest must be sufficient to ensure (with reasonable confidence), that risks of financial and/or reputational damage to Client or Business Partner or Rabobank in Ireland interest(s) will be prevented.

It is expected that Management consider (based on the outcome of the Identification Assessment) whether additional arrangements are necessary and appropriate, at a minimum in relation to:

- Information Barriers (physically and IT technically) – Persons or business departments whose primary day to day business involves handling Inside Information need to be separated from departments who do not do so. This includes making sure that access to IT systems is restricted;
- Allocation and delegation of roles and responsibilities including appropriate segregation of duties is in place, especially when IT systems contain Confidential Information;
- (Performance related) incentives and inducements.

Should a potential Conflict of Interest arise, it must be managed promptly and fairly.

Rabobank Group and Rabobank in Ireland have established various internal policies and procedures designed to manage potential Conflicts of Interest relating to specific services or business activities or which are staff related. These policies and procedures, which are mentioned below⁷, are mainly designed to ensure that Employees engaged in (different) business activities involving a Conflict of Interest carry on those activities at an appropriate level of independence.

The level of independence must be proportionate to the scope of the activities of the business line or business unit, Rabobank in Ireland as a whole and, where relevant, Rabobank Group, and to the extent of the risk that a Client's interests will be harmed. The policies and procedures contain specific controls for the specific risks relating to the services, activities or areas in question. The application of the various policies and procedures depends on the business pursued by the business entity or business line involved.

4.1 HANDLING OF INFORMATION AND CHINESE WALLS

Confidential Information must be handled with due care. It must only be used for the specific purpose or transaction for which it was given and must be circulated on a strict “need to know” basis. Chinese Walls must be designed as a measure to avoid the uncontrolled dissemination of Inside Information and other Confidential Information and therefore serve as a measure to prevent Conflicts of Interest. It is accepted that in the entities and activities separated by Chinese Walls, decisions will be taken without reference to any interest that any other entity or activity may have in the matter and because there is no actual knowledge of any possible Conflict of Interest.

Further guidance on the procedures to prevent or control the exchange of information between Employees and/or between parts of the business engaged in activities involving a risk of a Conflict of Interest can be found in Rabobank in Ireland's *Handling of Information and Chinese Walls Policy*.

⁷ The policies and procedures can be found on SharePoint.

4.2 CLEAR DESK

Confidential information must be kept secure with appropriate measures relating to a clear desk, clear printer and safe storage systems being implemented.

Rabobank in Ireland operates a '*Clear Desk Policy*', which is maintained by the Local Security Officer and available in SharePoint. The Policy is applicable to all employees.

4.3 REPORTING POTENTIAL CONFLICTS OF INTEREST AND MAC UNIT

All Sensitive transactions should be reported by the business to the MAC Unit, via Compliance, immediately. Compliance WRR uses the MAC Unit to bring together specific data about business activities carried out by or on behalf of WRR or Clients in which Conflicts of Interests entailing a material risk of damage to the interests of one or more Clients have arisen or may arise. The MAC Unit uses this data to help WRR identify and manage identified or potential Conflicts of Interest. In the MAC Unit a central register called "*Corporate List of Sensitive Information*" is maintained in which all Inside Information, identified or potential Conflicts of Interest (in relation to Sensitive transactions and their clearance), crossing of Chinese Walls and sharing of information must be administered.

4.4 SEPARATE SUPERVISION AND SEGREGATION OF FUNCTIONS

Where appropriate, arrangements must be in place for:

- the separate supervision and/or functional segregation of Employees,
- parts of the business carrying out activities for Clients whose interests may conflict,
- where the interests of Clients and Rabobank in Ireland's own interest may conflict.

These arrangements must be designed to prevent the simultaneous involvement of Employees in separate services or activities where such involvement may impair the proper management of Conflicts of Interest.

4.5 REMUNERATION AND KEY PERFORMANCE INDICATORS

In deciding on the remuneration of, and key performance indicators for Employees, it has to be considered that these may not compromise Employees' objectivity when carrying on their duties nor may be opposite to the Client's interest.

Any direct link between the remuneration of Employees principally engaged in one activity and the remuneration of, or revenues generated by, different Employees principally engaged in another activity, where a Conflict of Interest may arise in relation to those activities, must be removed.

The Human Resources Department within Rabobank in Ireland (in conjunction with HR at a Group Level) maintains separate policies and procedures with respect to remuneration arrangements, which includes the requirements under the Consumer Protection Code in relation to products and services provided to consumers⁸.

⁸ Consumer Protection Code s. 1.32

4.6 INVESTMENT RESEARCH

Where investment research intended for the public is produced, appropriate information controls or barriers must be put in place to prevent information from those research activities flowing to the rest of Rabobank in Ireland's (or another RI entity's) business.

While it is not the standard practice for Rabobank in Ireland to issue investment research, in the event that investment research is to be issued, Compliance should be contacted to advise on specific measures to deal with possible Conflicts of Interest that may arise in the context of investment research.

4.7 INDUCEMENTS

Any inducement received or paid by or on behalf of Rabobank in Ireland from or to third parties in connection with the provision of investment services (other than fees which enable or are necessary for the provision of such services and which do not present any risk of a Conflict of Interest) must be properly disclosed to the Client. It must not conflict with our duties towards our Client (including our duties to act in Client's best interests), and improve the quality of the service to our Client.

Further guidance on what constitutes inducements for the provision of investment services can be obtained from Compliance.

4.8 PERSONAL ACCOUNT DEALING

Employees are not allowed to use Inside Information or other Confidential Information when conducting or effecting transactions in financial instruments to which the information pertains, or by tipping off someone else. Nor are they allowed to conduct or effect transactions, which constitute market manipulation.

Rabobank in Ireland maintains a *policy for Personal Account Dealing* by Employees designed to address regulatory requirements with respect to insider dealing and market manipulation.

4.9 EXTERNAL POSITIONS AND UNJUSTIFIED PREFERENTIAL TREATMENT

Employees are not allowed to hold external positions alongside a position with Rabobank in Ireland, if fulfilling that external position may lead to Conflicts of Interest, or if the appearance thereof may arise.

Employees must prevent any division of Rabobank in Ireland (or the wider Rabobank Group) from giving unjustified preferential treatment to family, friends and associates or from the appearance thereof arising.

Specific guidance on external positions and unjustified preferential treatment can be obtained from Compliance.

4.10 GIFTS

Accepting or giving personal gifts that could affect the integrity of business decision-making is not permitted. Gifts may only be accepted or given, if they are unsolicited, cannot be construed as an inducement, and if the commercial value is small. Gifts estimated to be of value in excess of €100 or

such other amount as is deemed appropriate under local law or custom must be reported to Compliance.

Employees should refer to the Rabobank in Ireland *Gifts and Entertainment Policy* for full details.

4.11 SOFT COMMISSION AGREEMENTS

Rabobank in Ireland must not enter into a soft commission agreement unless such agreement is in writing and any business transacted under a soft commission agreement must not conflict with the best interests of its consumers. Compliance must be consulted before any soft commission agreements are entered into.

4.12 ANTI-CORRUPTION

Rabobank in Ireland nor its Employees should not, directly or indirectly, offer, promise, give, or demand a bribe or other undue advantage to obtain or retain business or other improper advantage. Nor should Rabobank in Ireland or its Employees be solicited or expected to render a bribe or other undue advantage.

Employees should refer to the Rabobank in Ireland *Anti-Corruption & Bribery Policy*.

4.13 DISCLOSURE

Management must make clear, timely and effective disclosures of Conflicts of Interest to Clients and/or Business Partners. Disclosures may consist of generic disclosures as part of (mandatory) information requirements towards Clients (general terms and conditions, in marketing documentation and on internet) and/or transaction related specific disclosures to Clients and/or Business Partners.

If, in spite of organisational or administrative arrangements made by Rabobank in Ireland, a Conflict of Interest appears to be inevitable, the Client/Business Partner must be informed thereof.

After consultation with Compliance, the Client/Business Partner must be provided with sufficient details to enable him to take a well-informed decision with regard to the service or activity in respect of which the Conflict of Interest has arisen. Any Client consent to act must be in writing.

Management must develop an appropriate procedure for the disclosure of Conflicts of Interest. Such procedure must include:

- a description of the nature of the Conflict of Interest,
- a description of the methods of disclosure,
- the applicable requirements and timing, and
- implementation of reporting, document retention and escalation structures.

Disclosures must be made in reasonable detail and in a manner sufficient to permit a Client or Business Partner to understand the Conflict of Interest. This at a minimum entails that:

- Disclosures made must be tailored to the Client and/ or Business Partner relationship, the type of transaction or service and the matter that creates the Conflict of Interest;

- Disclosures are made in a manner that provides the Client and/ or Business Partner with the opportunity to negate or substantially mitigate or accept any materially adverse effect on the Client and/ or Business Partner created by the Conflict of Interest;
- Disclosures must be in line with the Rabobank Group Information Handling and Information Barriers Policy;
- The Client and/ or Business Partner is provided with a reasonably sufficient period of time to evaluate and act on the information it receives;
- The purpose of the disclosure is to give the Client and/ or Business Partner the information needed to make an informed decision about whether to proceed with the service. The level of detail provided depends on the business and the Client and/ or Business Partner involved;
- It can be appropriate to make an (initial) verbal disclosure in relation to a transaction specific disclosure. However, the disclosure must always be documented and confirmed in writing by the Client and/or Business Partner if the transaction progresses.

4.14 DECLINING TO ACT

Where it is considered that it is not possible to manage the Conflict of Interest in any other way, Rabobank in Ireland may decline to act for the Client.

4.15 TRAINING

Appropriate measures should be taken to assist staff in recognising the circumstances, which constitute or may give rise to Conflicts of Interest and understanding and applying the procedures and measures designed to prevent Conflicts of Interest from adversely affecting the interests of its Clients.

Management, supported by Compliance, must ensure that relevant staff are adequately trained. Compliance maintains a training programme tailored to the various business lines and business units of Rabobank in Ireland.

4.16 IDENTIFICATION ASSESSMENT

Management of Rabobank Entities with direct Client and/or Business Partner contacts are responsible for performing a periodic Identification Assessment for their Rabobank entity. Identification of Conflicts of Interest is an ongoing responsibility and Management must ensure that material Conflicts of Interest in relation to ongoing business activities and arrangements are included in the overview of relevant Conflicts of Interest for a specific entity. The periodic Identification Assessment requires, at a minimum, an annual review and validation that the overview of relevant Conflicts of Interest remains relevant and up to date.

Management are required to, at a minimum, take the areas identified in the Rabobank Group Identification Assessment (please see Appendix 1) into account in their Identification Assessment. Management must assess and identify if any other Conflict of Interest may be of relevance for their Rabobank Entity. The periodic Identification Assessment must be documented and retained (please see template at Appendix II).

5. RESPONSIBILITIES FOR COMPLIANCE WITH THIS POLICY

The overall roles and responsibilities with regard to the Rabobank in Ireland Compliance Function are outlined in the Terms of Reference available on SharePoint; this Part summarises the roles and responsibilities related to Conflicts of Interest.

Management Team

- Compliance with all legislation and regulations and management of Conflicts of Interest;
- The endorsement and approval of this Policy for all business units and business lines of Rabobank in Ireland.

Line Managers

- Translating this Policy into effective operational guidelines, procedures and work instructions, as well as for effective training for the staff involved;
- Seeking approval from Compliance for any deviation from this Policy (or associated policies and procedures).

Compliance

- Supporting management in translating the Policy into operational guidelines and procedures and monitors if applicable work instructions are in place;
- Advising Management in the Identification Assessment of Conflicts of Interest;
- Advising Management in the evaluation of the Identification Assessment and contribute to managing the compliance risks identified;
- Providing advice and support (e.g. training) upon request;
- Developing training on an ongoing basis, contribute to educating staff and creating awareness relating to Conflicts of Interest;
- Creating business line specific guidance in addition to this Policy;
- Monitoring compliance with this Policy and the related policies and procedures referred to in Part Four;
- Reporting breaches of this Policy and the related policies and procedures in periodic reports to senior Rabo Group level Compliance Officers (global and regional).

Internal Audit

- Independent review of this Policy and associated controls at their own discretion or as directed by the Audit & Compliance Committee.

Legal

- Providing advice on any legal issues arising from this Policy.

Compliance WRR

- Monitoring developments in relevant (inter)national legislation;
- Formulating and updating (on the basis of new or changed legislation and regulations) a Policy for WRR;

- Support Rabobank in Ireland in translating the Policy and creating input for training and e-learning.

All Rabobank in Ireland Staff

- Ensuring that they are familiar with this Policy and for complying with it;
- Completing training as requested by Rabobank in Ireland Compliance and/or stating that they have read and understood the Policy, as required from time to time by Compliance.

APPENDIX I

RG Conflict of Interest Identification Assessment

From a Rabobank Group generic perspective, areas where Conflicts of Interest could possibly arise have been identified under numbers 1-12.

Management should in any case deal with at least these potential Conflict of Interest areas in their Identification Assessment. If necessary, specific Conflicts of Interest that do not fit in the categories below, must be included and/ or specified in the Identification Assessments of the respective Rabobank Entities.

1. Handling of (Confidential) Information and Information Barriers

Rabobank deals with a great amount of Confidential Information. In dealing with this information, a Conflict of Interest could arise. Amongst others, consideration should be given to (open) workspace environments.

2. Remuneration and Key Performance Indicators

Remuneration and Key Performance Indicators (KPI's) of Employees can adversely influence the ability to serve Clients in their best interest.

3. Specific Services⁹

Rabobank Group provides specific services and activities, which contain a higher inherent risk for Conflicts of Interest. These services may include inter alia: *portfolio management, investment research, ownership of interest (bank holdings), advisory services, corporate finance, transactions for a Rabobank Entity's own account, swap-dealing activities.*

4. Inducements

Any area within Rabobank where receiving any fee, commission or non-monetary benefit is permitted by law generates a risk for Conflicts of Interests.

5. Personal Account Dealing

Employees engaging in trading of securities or other financial instruments for their own account are at risk for conflicting interests with Clients and/ or Rabobank. In this context, (confidential) information could also be misused to gain benefits for personal account dealings.

6. Outside Interests

Employee outside interests could create a real or perceived Conflict of Interest or have a potential impact upon the reputation of (any part of) Rabobank Group or its Employees or Executive and Supervisory Board members.

⁹ Rabobank Entities active in the specific services mentioned must address the relevant service specifically.

7. Gifts & Hospitality

Receiving and giving gifts and hospitality could create a real or perceived Conflict of Interest or have a potential impact upon the reputation of (any part of) Rabobank Group or its Employees.

8. Cross Selling

Rabobank is a global multi-services provider, which benefits the Clients. However, this could lead to potential Conflicts of Interests. In addition, Rabobank serves Clients, which are Business Partners of Rabobank at the same time.

9. Global Special Asset Management (GSAM/ BBR)

There is a Conflict of Interest risk between Rabobank and the Client at the moment the Client has financial difficulties which may lead to not being able to live up to the agreement made between the Client and Rabobank.

10. Sector Banking

In cases where Rabobank is (or strives to be) the lead service provider in a specific sector, this could lead to Conflicts of Interests due to information Rabobank has concerning various Clients or Business Partners in the same sector.

11. Outsourcing

Outsourcing of material services or activities can lead to Conflicts of Interest between Rabobank and its outsourcing partner.

12. Employee Transfers and Exits

Employees terminating their employment with a Rabobank Entity could lead to a Conflict of Interest in terms of Confidential Information leaving the bank and being used outside Rabobank Group for the benefit of other parties, potentially damaging the interests of Clients, Business Partners and the Rabobank Group. The same goes for internal transfers of Employees between different Rabobank Entities and external and internal exchange programs.

APPENDIX II - RABOBANK IN IRELAND – OVERVIEW OF CONFLICTS REGISTER

Overall Conflicts Risk Rating	To Be Confirmed
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	Conflict	Bank vs. Bank	Bank vs. Client	Client vs. Client	Bank vs. 3 rd Party ¹⁰	Conflict description	Conflict Rating	Mitigating controls (policies & procedures)	Net Rating	Disclose ¹¹ Conflict	Treating Customers Fairly
1		✓	✓	✓	✓		H		L		✓
2		✓	✓	✓	✓		M		L		✓
etc.											

Key Definitions

Bank vs. Bank – a potential conflict between the interests of different entities within Rabobank e.g. Corporate Banking and GCS

Bank vs. Client – a potential conflict between the interests of a Client and Rabobank in Ireland.

Bank vs. third Party – a potential conflict between the interests of Rabobank in Ireland and any party who is not a Client of Rabobank in Ireland e.g. Rabobank and a Business Partner.

Client vs. Client – a potential conflict between the interests of one or more Clients of Rabobank in Ireland.

Conflict Rating – rating that quantifies the overall impact if a potential conflict were to occur.

Disclose Conflict – the requirement to inform the parties involved of a potential conflict arising.

Mitigating Controls – controls put in place to mitigate potential conflicts.

Net Rating – risk rating after accounting for existing mitigating controls.

Treating Customers Fairly – used to identify whether the conflict that has been listed affects the way Rabobank in Ireland provides fair treatment to its customers.

Risk Ratings

Low	Assume event is not likely to occur
Medium	Assume event may occur
High	Assume event is likely to occur

¹⁰ Third Party is defined as any party who is not a Client of the Bank (e.g. Distributors, Brokers etc.).

¹¹ Disclose conflict, relates to the requirement to inform the parties involved of a potential conflict arising