

The ODDO BHF SCA, either directly or through its affiliates, furnishes a wide range of investment and ancillary services: reception and transmission of orders on behalf of clients, execution of orders on behalf of clients, dealing on own accounts, portfolio management, investment advice, underwriting of financial instruments, placing of financial instruments on a firm commitment basis or without a firm commitment basis, investment research, etc. Accordingly, ODDO BHF SCA may be confronted with situations in which conflicts of interest arise. Conflict of interest situations are not unusual, nor are they at odds with professional ethics. However, their existence must not jeopardise the interests of the group's clients.

Pursuant to legislation in force and to protect and safeguard its clients' interests, while respecting market integrity, ODDO BHF SCA has consequently implemented a policy and measures to detect, manage and track potential conflicts of interest arising out of its activities and those of its affiliates.

The purpose of this document is to present the ODDO BHF SCA's approach to monitoring and management of conflicts of interest. However, it does not seek to create additional third-party obligations which did not exist before this document was provided to those parties. This document does not purport to be a contract between ODDO BHF SCA, or another group entity, and its clients.

1. Definition of a conflict of interest

According to Article L533-10 of the Monetary and Financial Code:

"The investment services provider shall take all reasonable steps to detect and avoid or manage all conflict-of-interest situations that may arise in the course of providing investment and ancillary services or a combination of these services:

1) Either between itself, persons placed under their authority or acting on their behalf or any other person directly or indirectly related to the provider by a control relationship, on the one hand, and its customers, on the other hand.

2) Between two clients."

According to Article 33 of Commission Delegated Regulation (EU) 2017/562 of 25 April 2016, a conflict of interest is therefore likely to arise when ODDO BHF SCA or a person directly or indirectly related to the company by a control relationship:

- Is likely to make a financial gain (or avoid a financial loss) at the expense of his client;
- Has an interest different from that of his client in the result of a service provided or a transaction carried out on behalf of his client;
- Is encouraged for financial or other reasons to favor the interests of another client or group of clients in relation to the interests of the client to whom the service is provided;
- Exercises the same professional activity as the client;
- Receives or later receives from a person other than the client an incentive in connection with the service provided to the customer, in the form of monetary or non-monetary services or benefits, other than the commission or fees normally charged for the said service.

2. Measures for identifying conflict of interests

ODDO BHF SCA analyzed each of its activities and each of the investment and ancillary services it provides to identify potential situations giving rise to conflicts of interest, which were then recorded in a "mapping". The Compliance department is responsible for drawing up and monitoring the inventory, which forms the basis of conflict-of-interest oversight and management measures.

The business lines, Management, and the Compliance department are jointly responsible for identifying conflicts of interest, which may arise in the context of:

- Strategic committees or business lines management committees;
- Monitoring of ongoing transactions and projects by business lines;
- Review and control of sensitive transactions.

For example, the following conflicts of interest may arise in the course of the investment and ancillary services provided by the group:

- ODDO BHF SCA may give its private banking clients investment advice and may also recommend or sell products managed by its own portfolio management company, ODDO BHF ASSET MANAGEMENT SAS;
- The proprietary trading activities of ODDO BHF SCA and ODDO BHF ASSET MANAGEMENT SAS may result in these entities participating in a primary market transaction for which the group's investment bank is designated "arranger" or "bookrunner";
- ODDO BHF SCA may perform investment research on entities or groups that it also advises, notably through its investment banking arm.

3. Measures for preventing conflict of interests

To prevent the risk of conflicts of interest and to safeguard clients' interests, ODDO BHF SCA has implemented procedures, the key features of which are as follows:

- The hierarchical separation – both physical and logical – of activities that might cause potential conflict of interest situations to stop any undue transmission of confidential or privileged information; this procedure is commonly referred to as a “Information barriers”;
- Compliance rules which require staff to treat as confidential and with discretion any information received during the course of transactions with clients, the purpose of which is to ensure fairness and loyalty necessary to client relationships;
- Monitoring Personal Transactions from employees;
- Procedures upholding the principles of fairness when executing clients' orders and ensuring that these orders take priority when conducting proprietary trading transactions;
- Administrative and organizational processes ensuring the independence of employees when exercising their activity;
- A hierarchical organization ensuring the separation of the sales functions from the back-office and control functions, notably the compliance and risks functions;
- Internal committees that include compliance aspects in their decisions including the remuneration committee that is vigilant to avoid any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- Internal procedures enabling employees to flag any potential conflict of interest situations;
- Regular training courses for the relevant employees to raise awareness of risks, regulatory changes, and compliance rules.

This entire framework is regularly updated to reflect regulatory changes and evolving business activities and are applicable to all categories of clients. In addition, ongoing monitoring ensures the effectiveness of the mechanisms for the prevention and management of conflicts of interest.

Any deficiency identified gives rise to the implementation of appropriate corrective measures, the follow-up of which is ensured.

4. Measures for managing conflicts of interest

When the existing conflict of interest management framework proves insufficient and a confirmed risk of conflict of interest is identified, appropriate conflict management measures are deployed and adapted according to the level of risk identified. This approach is based on an analysis of the situation by the Compliance department and, where applicable, on an arbitration process involving the relevant stakeholders, enabling the prompt definition of suitable resolution or mitigation arrangements.

However, if all these organizational or administrative arrangements are not sufficient to ensure, with reasonable certainty, that the risks of harming the interests of the client will be avoided, ODDO BHF SCA will inform the client concerned, before acting on account of the general nature and / or source of the identified conflict of interest.

Client information is provided on a durable medium and must be sufficiently precise to enable the client to make an informed decision regarding the conflict-of-interest situation faced by ODDO BHF SCA.

Finally, in the event of a risk of particularly serious harm to a client's interests, ODDO BHF SCA may decide to withdraw from an operation or transaction to safeguard the interests involved.

ODDO BHF SCA also maintains an up-to-date register of the measures implemented for each conflict-of-interest case overseen.

Specific provisions applicable to investment research and issuer-sponsored research activities

Within the specific scope of issuer-sponsored research activities, ODDO BHF SCA declares that it complies with the principles and requirements of the European Code of Conduct applicable to providers of issuer-sponsored research, to maintain a high level of independence, integrity, and transparency in the preparation and dissemination of financial analyses. In the event of any breach to the Conflict-of-Interest management policy, ODDO BHF SCA undertakes the necessary due diligence and investigations and promptly informs the issuer concerned of the situation and of the remediation measures.