

Policy
for the prevention
and management
of conflicts of interests

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1. Objective and scope

This Policy describes the system put in place by La Financière De l'Echiquier to identify, prevent and manage conflicts of interest that may arise between, on the one hand, La Financière De l'Echiquier, the persons placed under its authority or acting on its behalf or any other person directly or indirectly linked by a control relationship and, on the other hand, its clients, or between two clients, when providing any investment service or any related service or a combination of these services, when providing the arbitration mandate service in the context of a unit-linked life insurance contract or when acting as an insurance broker.

A conflict of interest is a situation in which La Financière De l'Echiquier, one of its employees or close relations, one of its delegates/providers or a company linked to La Financière De l'Echiquier by a control relationship, in the performance of their activities, risks harming the interests of a client.

An interest is defined as an advantage of any kind, whether material or immaterial, professional or personal, commercial or financial.

2. Identification of potential conflicts of interest

Situations likely to give rise to conflicts of interest are diverse and require constant vigilance. Among the potential or actual situations identified, linked to the provision of investment services, related services or the exercise of other activities, those listed below have been the subject of reinforced analysis.

La Financière De l'Echiquier, a person concerned, or a person directly or indirectly linked to La Financière De l'Echiquier by a control relationship:

- ✓ is likely to make a financial gain or avoid a financial loss at the expense of the client,
- ✓ has an interest in the outcome of a service provided to the client or of a transaction carried out on the client's behalf which is different from the client's interest in the outcome,
- ✓ has an incentive, for financial or other reasons, to favour the interests of another customer or group of customers over the interests of the customer to whom the service is provided,
- ✓ engages in the same professional activity as the customer,
- ✓ receives or will receive from a person other than the client a benefit in connection with the service provided to the client, in any form whatsoever, other than the commission or fee normally charged for that service.

Potential conflicts of interest that are identified are recorded in a register. For each source of potential conflict of interest identified, a summary of the preventive measures implemented is given.

3. System for preventing conflicts of interest

In order to prevent potential conflicts of interest, La Financière De l'Echiquier has set up an appropriate organisation based on:

- ✓ A code of ethics setting out the organisational rules and principles that enable La Financière De l'Echiquier to carry out its activities in the best interests of its clients;
- ✓ A normative framework based on ethical rules, policies, procedures and associated control;
- ✓ Employee awareness;
- ✓ An organisation (reporting lines and/or physical location of employees/operating units) that respects information barriers;
- ✓ Separation of own-account and third-party management activities;
- ✓ Separation of collective management and discretionary management activities.

A set of instructions and procedures aimed more specifically at preventing potential conflicts of interest, and in particular:

- ✓ Organisational measures aimed at providing employees with a level of independence in the performance of their duties, thus making it possible to control the sharing of information (separation of activities and functions) and prevent the inappropriate influence of certain employees vis-à-vis other employees (appropriate reporting lines);
- ✓ Procedures relating to professional ethics, mainly concerning the supervision of personal transactions, the declaration of external interests and the declaration of gifts and invitations.
- ✓ A permanent control system deployed by the Compliance and Risk functions to ensure that the rules applicable within the management company are complied with and that the interests of clients are systematically taken into account.
- ✓ Employee trainings to raise awareness of the risks of conflicts of interest and to remind employees of the relevant procedures.
- ✓ Internal committees that include the dimension of equal treatment of customers in their decisions.
- ✓ A remuneration policy that complies with regulatory requirements and is compatible with sound and effective risk management.
- ✓ A policy of best selection and/or best execution of orders.
- ✓ An inventory transmission policy.

4. Conflict of interest management system

When the measures described above do not resolve the conflict of interest situations detected, or in the event of doubt, employees advise La Financière De l'Echiquier's Head of Compliance and Internal Control.

In the event of a proven conflict of interest, La Financière De l'Echiquier takes the appropriate measures, in particular :

- ✓ analysing and recording the conflict of interest in the register of conflicts of interest,
- ✓ informing the general management of La Financière De l'Echiquier,
- ✓ implementation of the necessary measures to manage the conflict of interest,
- ✓ informing the employee who detected the conflict of interest, where applicable.

If the system put in place does not provide reasonable certainty that the risk of harming the interests of the client(s) cannot be avoided, La Financière De l'Echiquier :

- ✓ informs the client(s) concerned of the nature and/or source of the conflict of interest,
- ✓ obtains the formal agreement of the client(s) prior to carrying out the proposed transaction,
- ✓ refuses the proposed transaction where appropriate.

5. Review of the system for managing conflicts of interest

La Financière de l'Echiquier ensures that its conflict of interest management system is regularly reviewed to adapt to changes in its business and updates the conflict of interest map as required (creation of a new business or innovative product, new external mandates for an employee, acquisition/sale of a La Financière De l'Echiquier holding, etc.).

The conflict of interest management system is also subject to specific controls :

- ✓ The Internal Control Compliance team carries out second-level ex post controls on a biannual basis. These controls are managed using a risk-based approach. The control points selected on this basis are listed in the non-compliance risk map drawn up by the Internal Control and Compliance team. The methodology for creating the non-compliance risk map and implementing the associated control plan has been formalised in a methodology note.
- ✓ The periodic control function, which is outsourced to La Banque Postale, includes a review of processes in its audit programmes. This review is based on a risk-based approach and includes control of the various systems related to the management of conflicts of interest.

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For more information on this policy, please send your questions or requests to controleinterne@lfde.com.

