

**Rabobank**

**CO Expertise & Operations- Market Abuse, Anti-Corruption and Conflicts of Interest (MAC)**



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# Global Policy on Conflicts of Interest

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## Information sheet

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# 1 Introduction

Rabobank believes in conducting business fairly. This could be compromised when a Conflict of Interest or the appearance thereof, arises. An actual or potential Conflict of Interest arises where two or more parties (could) have competing interests. Within Rabobank, a Conflict of Interests 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).

A Conflict of Interest could occur between the interests of Rabobank, its Clients or Business Partners and those of Rabobank's Employees at all levels (including senior management and Board members) in any combination. Conflicts of Interest may arise because of Rabobank's various activities and roles.

It is essential for Rabobank to identify potential Conflicts of Interest and manage the risks deriving thereof in a timely and effective manner. Therefore, three steps have been put in place that will be briefly described in chapter two:

- Identifying Conflicts of Interest (§2.2);
- Managing Conflicts of Interest (§2.3);
- Documenting Conflicts of Interest (§2.4).

The topics will be described in more detail in the Global Standard on Conflicts of Interest (Standard). Furthermore, this Standard covers important topics such as: Gifts and Hospitality, Outside Interests, Alternative Investments and real estate.

Rabobank is legally held to maintain and operate effective organisational and administrative arrangements. These requirements are covered (amongst others) in the Global Standard on Information Barriers and Global Standard on Personal Account Dealing.

## 1.1 Objectives

The Global Policy on Conflicts of Interest (Policy) contains both principles and directions about (potential) Conflicts of Interest. The objective of the Policy is to give Employees a basic understanding of what a Conflict of Interest is, how to prevent it, where to find more information and when to reach out to a Compliance Officer. This should protect both Employees and Rabobank.

This Policy has deliberately been kept as short, clear and readable as possible. Further explanation of the terms used can be found in the Definitions MAC (definitions as amended from time to time) that has been made available separately, in the Global Standards and/or the Global Procedures that apply.

This Policy, the relevant Global Standards and Global Procedures are primarily based on the requirements as stipulated in European laws and regulations in respect of Conflicts of Interest. However, the Policy, the Global Standards and Global Procedures also takes the laws and regulations of other jurisdictions in which Rabobank operates into account. Note that where stricter regulations apply locally, these will apply in addition to the Global Policy. If you have any questions or doubts, please contact your Compliance Officer.

## **1.2 Scope**

This Policy applies to departments, locations (branches), local Rabobanks and Entities of Rabobank and their Employees at all levels (including senior management and Board members).

## **1.3 Key definitions & related documents**

To make sure definitions are used consistently throughout the Global Policy Documents owned by MAC, please refer to the Definitions MAC which is available separately.

The document 'Definitions MAC' also contains a list of relevant/related documents and the overview of roles & responsibilities.

## 2 Requirements of the Global Policy

### 2.1 Conflicts of Interest

Employees must always aim to avoid Conflicts of Interest or the appearance thereof and any action(s) that could damage the reputation of Rabobank. There is a wide range of products that Rabobank trades/ finances/ supports/ advises, which increases the potential for a Conflict of Interest. Rabobank therefore requires Employees to be vigilance in preventing/ managing a (potential) Conflict of Interest or the appearance thereof.

To determine whether there is a Conflict of Interest, each Employee must consider whether there is a risk of financial and/or reputational damage to the Client, Business Partner, Rabobank itself and/or its Employees. The Employee must take into account if any of the aforementioned:

- is likely to make a financial gain, or avoid a financial loss, at the expense of a Client or Business Partner;
- has an interest in the outcome of a service provided to a Client or of a transaction carried out on behalf of the Client, which is distinct from that Client's interest in that outcome;
- involves the risk of internal Conflict of Interest stemming from personal relationships between colleagues leading to biased or wrong behavior harmful to the bank's interests;
- involves the risk of internal Conflict of Interest stemming from close personal relationships between colleagues leading to biased or wrong behavior harmful to the bank's or its clients' interests
- has a financial or other incentive to favour the interest of another Client and/ or Business Partner over the interest of the Client and/ or Business Partner;
- carries on the same business as the Client and/ or Business Partner;
- receives or will receive from a third party an inducement in relation to a service (not) provided to a Client and/ or Business Partner, in the form of an advantage (such as, but not limited to, money, goods or services).

The requirements below concern:

- Identifying Conflicts of Interest;
- Managing Conflicts of Interest;
- Documenting Conflicts of Interest.

### 2.2 Identifying Conflicts of Interest

Rabobank identifies risks regarding (potential) Conflicts of Interest. Rabobank has identified several areas relevant in terms of Conflicts of Interest from a group perspective. The relevant areas are described in the Rabobank Group Conflicts of Interest Identification Assessment (Annex 5.1). This Rabobank Group Conflicts of Interest Identification Assessment is done by MAC on a yearly basis.

Rabobank Entities, departments, locations (branches) and local Rabobanks perform a periodic Identification Assessment as further detailed in the Global Standard on Conflicts of Interest.

## 2.3 Managing Conflicts of Interest

Rabobank maintains and operates effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent Conflicts of Interest or the appearance thereof from negatively affecting the interests of its Clients and/or Business Partners.

Where organisational or administrative measures made by Rabobank to manage the specific Conflict of Interest are insufficient to ensure (with reasonable confidence) that risks of damage to Clients and/ or Business Partners can be prevented, disclosures (either generic and/ or specific) must be made.

A disclosure does **not** relieve Rabobank from the duties as described in this Policy, it is an additional step. A last step could be that Rabobank declines to provide certain services to a (prospective) Client(s) and/or Business Partner.

## 2.4 Documenting Conflicts of Interest

Rabobank keeps records of both the identified risk areas for Conflicts of Interest as well as a record of actual Conflicts of Interest that have occurred. This documentation requirement also includes the steps taken to prevent/manage the Conflicts of Interest.

Furthermore, Rabobank keeps records of applicable Global Polices, Global Standards and Global Procedures.

## 2.5 Sanctions

Any act by an Employee that goes against this Policy, the related Global Standards and/or the Global Procedures will be considered a significant violation of the Code of Conduct and/or your labour agreement and could lead to sanctions. Sanctions could include, but are not limited to:

- 1) a (written) warning
- 2) a letter in the Employee's personnel file;
- 3) (temporary) relief of duties/ suspension;
- 4) demotion; or
- 5) (immediate) dismissal.

Circumstances will be considered when determining the sanction is imposed. These may include:

1. the severity of the violation;
2. the duration of the violation;
3. the intent and
4. the cooperation upon/in view of discovery of the violation.

If an Employee does not agree with the sanction(s) imposed, the Employee may turn to the locally applicable appeal procedure.

In case of non-compliance, the Competent Authority and/or stakeholders could file administrative, legal or civil cases against the Employee and/or Rabobank.

## 2.6 Exception management process

If departments, locations (branches), local Rabobanks and Entities of Rabobank cannot comply with a Global Policy Document or a part of the Global Policy Document, the Management thereof must apply for a waiver. A waiver is a dispensation provided by the approval body of a Global Policy Document to an entity or a department from complying with a specific requirement of a Global Policy Document or with the whole Global Policy Document. Waivers are granted for specific periods of time or until further notice<sup>1</sup>. See the PPM-policy or annexure for a standard waiver form.

The Chief Compliance Officer of Rabobank shall have the power to take a decision in all cases not covered by this Policy.

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<sup>1</sup> Policies and Procedures Management Policy, v1.0, 06 Jan 2015



### **3 Roles & Responsibilities**

For more information on roles and responsibilities, please see the Definitions MAC. Alternatively, please see the Compliance Charter document.

## **4 Monitoring**

For more information on monitoring, please see the Definitions MAC.

## 5 Annexures

### 5.1 Rabobank Group Conflicts of Interest Identification Assessment



Group CoI  
Identification Templat

### 5.2 Waiver Template



Waiver template ver  
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