

# Conflicts of Interest Policy

1 July 2020

# Table of contents

Introduction	3
Type of potential conflicts of interests	4
Definition of a conflict of interest	4
Criteria	4
Independence in conflicts management	6
Basic principles for prevention	7
Identification of potential conflicts of interests and measures adopted/ prevention of conflicts of interests	8
Management and control of conflicts of interests	9
Management of activities giving rise to detrimental conflict of interest/ Disclosure of Conflicts of Interests	10
Monitoring of potential conflicts of interests	11

# Introduction

In this Conflict of Interest Policy (Policy), OBAM Investment Management B.V. (OBAM IM) addresses and implements its obligation to identify and prevent or manage any conflicts of interests arising in relation to its business lines and activities and, for this purpose, to establish, implement and maintain an effective Conflicts of Interests Policy set out in writing and appropriate to the size and organization of OBAM IM and the nature, scale and complexity of its business. This Policy constitutes the written policy within the meaning of Article 18 CD 2010/43<sup>1</sup>.

The Management Board is accountable to develop, adopt and implement this Policy.

OBAM IM will evaluate the effectiveness of this Policy at least annually, in order to safeguard compliance with laws and regulations. The CFRO will perform an annual review and undertake the required updates if that would be the outcome of the review. The CFRO determines whether this Policy functions in practice or whether there are any deficiencies. Appropriate measures will be taken to address any deficiencies. The outcome of the review and, if applicable, updated Policy is shared with the Management Board for adoption.

The Supervisory Board of OBAM IM may be consulted on specific subjects of this Policy. They may also be required to decide on specific cases in which a potential conflict of interests arises, as will the Supervisory Board of the investment fund, OBAM N.V. (Fund), depending on the specific potential conflict of interest. This is laid down in the Supervisory Board regulations of both boards.

---

<sup>1</sup> CD 2010/43 means Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company.

# Type of potential conflicts of interests

## Definition of a conflict of interest

OBAM IM considers that a conflict of interest in any event means that a situation arises anywhere within its business and/or in the course of providing the collective portfolio management activities (including conflicts of interests with respect to transactions in financial instruments), on a day-to-day or an ad hoc basis, where OBAM IM has an interest that conflicts with the interests of its investors, where the interests of two or more investors conflict, or where interests conflict within the internal organization of OBAM IM and by its action or inaction the Fund or investors' interests could be damaged. Such conflicts are likely to arise from an incentive, primarily financial, which will benefit OBAM IM or its Staff to the detriment of an investor or benefit one investor over another. Such conflicts may also arise due to the setup of the internal organization of OBAM IM.

When conducting the business of OBAM IM and/or providing the collective portfolio management activities, a conflict of interest may arise:

- between OBAM IM, including Staff and any other person directly or indirectly linked to it by control, and the investors of the Fund;
- between one investor and another investor;
- within the internal organization of OBAM IM, its governance structure or its control structure;
- between the policymakers of OBAM IM, the Supervisory Board members of OBAM IM, other Staff members, or other persons who perform activities on a structural basis for OBAM IM on the instructions of OBAM IM, and OBAM IM and its investors; or
- between one or more service providers and OBAM IM.

## Criteria

In determining whether a conflict of interest may arise that could damage the interests of the Fund or its investors, OBAM IM takes into account, by way of minimum criteria, the following situations:

- OBAM IM or a particular Staff member is likely to make a financial gain, or avoid a financial loss, at the expense of the Fund;
- OBAM IM or a particular Staff member has an interest in the outcome of a service or an activity provided to the Fund or an investor or of a transaction carried out on behalf of the Fund or an investor, which is distinct from the Fund's interest in that outcome;
- OBAM IM or a particular Staff member has a financial or other incentive to favour the interest of an investor or group of investors over the interests of the Fund;
- OBAM IM or a particular Staff member carries on the same activities for the Fund and for an investor or investors which are not a fund; or
- OBAM IM or a particular Staff member receives or will receive from a person other than the Fund an inducement in relation to collective portfolio management activities provided to the Fund, in the form of monies, goods or services, other than the standard commission or fee for that service.

OBAM IM furthermore takes into account the following situations in order to identify whether a conflict of interest may arise:

- particular Staff members also conduct other activities (in private or business) outside OBAM IM, which may conflict with the interests of OBAM IM or the Fund or one or more investors; and
- certain aspects of the governance or business operations of OBAM IM which may pose a potential conflict of interest that may damage the interests of the Fund or one or more investors.

When identifying the types of conflict of interests, OBAM IM takes into account:

- the interests of OBAM IM, including those deriving from the performance of services and activities, the interests of the investors and the duty of the OBAM IM towards the Fund; and
- the interests of two or more managed funds (this is not applicable at the moment, because OBAM IM has only one fund (the Fund) under management).

# Independence in conflicts management

In the course of conflicts management, OBAM IM ensures that relevant persons engaged in different business activities involving a (risk of) conflict of interest carry on those activities at a level of independence appropriate to the size and activities of OBAM IM and to the materiality of the risk of damage to the interests of investors. Where necessary and appropriate for OBAM IM to ensure this independence, the procedures and measures for conflicts management include:

- effective procedures to prevent or control the exchange of information between relevant persons engaged in collective portfolio management activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more investors (through segregation of duties as much as possible);
- the separate supervision of relevant persons whose principal functions involve carrying out collective portfolio management activities on behalf of, or providing services to, investors whose interests may conflict, or who otherwise represent different interests that may conflict, including those of OBAM IM (through segregation of duties as much as possible);
- the removal of 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 (refer to OBAM IM's Remuneration Policy);
- measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out collective portfolio management activities (this is implemented throughout the governance structure and internal organization of OBAM IM);
- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate collective portfolio management activities where such involvement may impair the proper management of conflicts of interest; and
- implementing a policy concerning voting behaviour.

Where the adoption or the practice of one or more of those measures and procedures does not ensure the requisite degree of independence, OBAM IM adopts such alternative or additional measures and procedures as are necessary and appropriate for those purposes.

# Basic principles for prevention

OBAM IM strives to prevent potential conflicts of interests as much as possible on an ongoing basis when conducting its business activities. In order to be successful in this goal, OBAM IM adheres to the following basic principles:

- Potential conflicts will not be ignored by OBAM IM or relevant Staff;
- When decisions are made by the Management Board in respect of the governance, business operations, business lines or collective portfolio management activities of OBAM IM, the Management Board assesses as part of the decision-making process whether any potential conflicts of interests may arise as a consequence of the decision at hand;
- If a Management Board member has a conflicting interest, the Management Board member will not take part in decision-making;
- If a Supervisory Board member has a conflicting interest, the Supervisory Board member will not take part in decision-making;
- OBAM IM will prevent conflicts of interests where possible and, if not possible, will ensure that conflicts are appropriately addressed and managed to prevent damage to the Fund or one or more investors or the Fund;
- Investors that are in comparable positions will be treated equal;
- OBAM IM has a clear governance structure and avoids that any person may exercise inappropriate influence over the way in which a Staff member carries out a collective portfolio management activity;
- OBAM IM has a particular focus on the simultaneous or sequential involvement of a Staff member in operational and control tasks. Staff members involved with operational tasks will not be responsible for control tasks (such as risk management, compliance and internal audit);
- The Management Board strives to maintain a culture where potential conflicts of interests are identified in an early stage and relevant Staff incentivized to notify each situation which may give rise to a conflict of interests; and
- Transparency about this Policy and about any potential conflict of interests, is key.

This Policy is shared with all Staff and they are made aware of these basic principles.

# Identification of potential conflicts of interests and measures adopted/ prevention of conflicts of interest

OBAM IM has identified, based on the definition of conflict of interest and the criteria to determine whether a conflict of interests may arise, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the Fund or one or more investors, or to its internal organization. OBAM IM has formulated and adopted measures for each individual potential conflict of interest in order to prevent, mitigate or manage any such conflict.

These potential conflicts of interest are laid down in OBAM IM's register of conflicts and are reviewed regularly (at least annually) and updated by the CFRO, whereby the relevant potential conflicts of interest and measures are amended or new potential conflicts are added. The outcome of the annual review and, if applicable, is shared with the Management Board.

Where necessary and appropriate for OBAM IM to ensure conflicts of interest are identified, the procedures and measures for conflicts management include:

- measures to avoid that Staff uses price sensitive information in executing private securities transactions and adheres to the Personal Transaction Policy;
- organize Staff training sessions with a specific part on identifying and dealing with (potential) conflict of interests;
- Adopt policies aimed at achieving best execution for the investors of the Fund, that is ensuring the total cost or proceeds of each transaction are the most favourable under the prevailing circumstances (Best Execution Policy);
- adopt policy to address the fixed and variable compensation for Staff, which ensures that the incentive structure is in line with the investors' interests (Remuneration Policy);
- Implement the principle limiting the possibility for its Staff to obtain private benefits from third parties (e.g. brokers, vendors) as laid in down in the Code of Conduct;
- Have second line control functions in place such as Compliance who independently monitor, report and give advice to management on managing potential conflicts that may arise (Compliance Policy); and
- Erect information barriers within OBAM IM to prevent the potential misuse of confidential or inside information, such as rules for the proper use of computer systems, including removable media, access codes and security devices.



# Management and control of conflicts of interests

If a potential conflict of interest arises in the context of the activities provided by OBAM IM, which is not already addressed and prevented, the following procedure is followed by OBAM IM:

- Whenever the CFRO detects a potential conflict of interest, or is informed thereof by another Staff member, the CFRO without undue delay informs the Management Board and the Supervisory Board (to the extent necessary) of such potential conflict. The CFRO may only discuss a potential conflict of interest with the Management Board, the Supervisory Board and the Compliance officer. In cases that concern the Fund, the Supervisory Board of the Fund may be involved.
- The CFRO determines the scope and extent of the potential conflict of interest and which part of the activities of OBAM IM or the Fund it may affect. For this purpose the CFRO consults with the Compliance officer.
- When the scope of the potential conflict is clear, the CFRO and Compliance officer must assess whether there is a material risk that the interests of the Fund or one or more investors may be damaged as a consequence of the potential conflict of interest. They must also assess whether the potential conflict must be presented to the Supervisory Board based on the Supervisory Board regulations.
- The CFRO must, after consulting the relevant stakeholders in accordance with the procedure above, determine the course of action to manage the potential conflict of interest in a way that the risks of damage to the interests of the Fund or one or more investors are prevented. The guiding principle is that the interests of the Fund and the investors prevail above all other interest. For this purpose, the CFRO may consult the Compliance officer or specialized consultants in order to advise on possible measures that can be adopted.
- The CFRO presents a plan of action to manage the potential conflict of interest, including measures to be adopted and procedures to follow, to the Supervisory Board (where applicable) and to the Management Board.
- The Supervisory Board (where applicable) and the Management Board must determine whether the plan of action is sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Fund or of its investors will be prevented if the plan is adopted and executed.
  - If this is the case, the Supervisory Board and the Management Board approve the plan of action and the CFRO ensures that all relevant steps of the plan of action are taken. Where relevant, the CFRO informs the parties involved of how the potential conflict is handled.
  - If this is not the case, the Supervisory Board and the Management Board must take any necessary decision to ensure that in any case OBAM IM acts in the best interests of the Fund and of its investors. Furthermore, OBAM IM shall report these kind of situations to investors by any appropriate durable medium and give reasons for its decision.
- The CFRO determines when all required steps in respect of a specific conflict have been taken and the file can be closed. Every conflict handled in accordance with this procedure and the outcome thereof, is laid down in the register of conflicts by the CFRO.

# Management of activities giving rise to detrimental conflict of interest/ Disclosure of Conflicts of Interests

OBAM IM has taken due care in formulating the measures and procedures to prevent and manage any potential conflict of interest. As a last resort, where the organizational or administrative arrangements made by OBAM IM for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Fund or of its investors will be prevented, the Management Board is promptly informed by the Risk Officer, the Compliance Officer and/or the CFRO in order for them to take any necessary decision to ensure that in any case OBAM IM acts in the best interests of the Fund and of its investors.

OBAM IM will clearly disclose, by any appropriate medium, the general nature and sources of conflicts of interest and the steps taken to mitigate those risks. This disclosure will include sufficient detail, taking into account the nature of the investors, to enable the investors to take an informed decision with respect to the service in the context of which the conflict of interest arises.

# Monitoring of potential conflicts of interests

Each Staff member is obliged to monitor on an ongoing basis whether any potential conflicts of interests may apply. If a potential conflict of interest is identified, this must be notified to the CFRO. The CFRO will follow the procedure set out in the chapter 'Management and control of conflicts of interests' in order to ensure that the situation is addressed prudently.

The CFRO assesses each quarter, based on the definition of a conflict of interest and the criteria, whether any potential conflicts of interests are present that have not yet been addressed in this Policy. The CFRO applies the procedure set out in the chapter 'Management and control of conflicts of interests'.

OBAM Investment  
Management B.V.  
Schiphol Boulevard 313  
1118BJ Schiphol  
[www.obam.nl](http://www.obam.nl)

