



Regulations concerning the managing of conflicts of interest

Van Lanschot Kempen Wealth Management NV

Conflicts of Interest

Target audience:

This document applies to all staff both internal and external) at Van Lanschot Kempen.

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01/04/2018	1.0	Compliance Director	
01/01/2018	1.1	Van Lanschot N.V. management board Kempen & Co N.V. management Van Lanschot Kempen N.V. Executive Board	Adapted to EBA guidelines.
December 2019	1.2		Adjustments related to Legal merger Van Lanschot NV- Kempen & Co

1 Introduction

Van Lanschot Kempen Wealth Management NV (VLK WM)¹ together with its (foreign) subsidiaries and branch offices offers financial products, both in the Netherlands and abroad. Managing conflicts of interest is a key element in the efforts of the Executive Board of Van Lanschot Kempen to strengthen the integrity of the organisation and thereby its reputation. It is a fundamental principle for VLK WM to take all the reasonable measures at its disposal to identify, assess and manage possible conflicts of interest within the organisation, and where possible take all necessary organisational, administrative and physical measures in order to prevent and contain conflicts of interest. One example of a physical as well as an organisational measure would be the creation of a 'Chinese Wall', as it is commonly referred to, between two departments; an administrative measure would be, for example, the obligation for members of staff to notify the company in advance of any secondary occupation they wish to take on.

1.1 Area of application

These regulations concerning the managing of conflicts of interest apply to staff on an open-ended or temporary employment contract with Van Lanschot Kempen Wealth Management NV and or one of their (foreign) subsidiaries or branch offices. These regulations also apply to the members of the Supervisory board of VLK WM. Specific measures may apply because of local regulations pertinent to Business Units² and/or subsidiaries, or because of the specific activities of these Business Units and/or subsidiaries. In that case, such additional measures also apply to the staff at these Business Units and/or subsidiaries.

Conflicts of interest can occur anywhere in the organisation. Conflicts of interest can also arise between VLK WM and its stakeholders, for example between VLK WM and existing or potential clients, between existing or potential clients themselves, between VLK WM and its suppliers, between VLK WM and its shareholders, and between VLK WM and other parties.

1.2 Delineation of conflicts of interest

These regulations are aimed at preventing possible conflicts of interest in the following situations, among others:

¹ Van Lanschot Kempen Wealth Management NV: Van Lanschot Kempen Wealth Management NV with its (foreign) subsidiaries among them Kempen Capital Management NV and branches.

² The business units Private Banking, Evi, Asset Management and Merchant Banking.

- Entanglement of business and personal interests;
- Entanglement of the company's interest and the interest of a client, supplier or intermediary;
- The existence of a financial or other motive for allowing the interest of one particular client or group of clients to prevail over the interest of another client or group of clients;
- VLK WM conducting a business comparable to that of the client, which creates or could potentially create a conflict of interest;
- VLK WM receiving an unusual commission or remuneration from a third party;
- Favouring one shareholder over other shareholders.

The mere fact that a VLK WM staff member has shares in the company, has an account at another financial institution, or procures services from another financial institution, in itself does not create a conflict of interest, unless the specific circumstances involve a controlling share or conditions that are noticeably out of line with the market.

1.3 Principle

VLK WM operates on the fundamental principle that it takes all reasonable measures in order to identify possible conflicts of interest in the organisation, and where possible also takes organisational, administrative and physical measures to prevent such conflicts of interest. Where no measures can be taken to prevent possible conflicts of interest, these conflicts of interest shall be explained to existing or potential clients.

1.4 Notification of a real or potential conflict of interest

Preventing conflicts of interest is an important element in our day-to-day operations. VLK WM expects you to be constantly alert and carefully weigh up the interests of all of VLK WM's stakeholders.

By identifying potential conflicts of interest, we ensure that VLK WM can take appropriate measures to contain conflicts of interest. For this reason, you need to report a conflict of interest.

You also have to report to your line manager or to the Compliance department if you are convinced that a conflict of interest exists. Your notification will prompt an investigation aimed at determining whether a conflict of interest does exist, and whether additional measures have to be taken in order to contain this conflict of interest.

Potential conflicts of interest, including conflicts of interest concerning past relationships, must be reported when a person joins the company if these conflicts of interest still existed 12 months prior to their joining the company. This could be an existing conflict of interest or a secondary occupation.

2 Group Standard, other guidelines and measures

The Compliance department translates relevant legislation and regulation into practice by drafting compliance guidelines, advises the Business Units about these guidelines, and monitors compliance with the guidelines. The Compliance guidelines comprise the Group Standard, requirements documents, regulations, and compliance manuals that are relevant to the specific financial services offered by VLK WM.

2.1 Group Standard on Conflicts of Interest

VLK WM business units have to comply with the Group Standard Conflict of Interest. While the Group Standard defines the rules, its 'principle-based' character also leaves room to structure the requirements in line with the specific needs of each individual Business Unit, subsidiary or other unit of the organisation. The Group Standard Conflict of Interest contains the following 'key principles':

- VLK WM identifies and prevents or contains all possible conflicts of interest that could damage the interests of the Group, its clients or its other stakeholders;
- VLK WM has introduced measures at the highest possible level aimed at identifying or preventing the emergence or even the mere appearance of a possible conflict of interest that could damage the interests of the clients or other stakeholders. These measures can be organisational, administrative, physical or individual in nature;
- Whenever the organisational or administrative regulations are insufficient to ensure that no conflicts of interest will arise, these conflicts of interest will be made known to the clients and other stakeholders. This communication will include a detailed description of the conflict of interest concerned, thus enabling the client to arrive at a well-considered decision concerning the investment services, investment activities and ancillary services;
- Van Lanschot Kempen Wealth Management handles price-sensitive and other confidential information with due care;
- Remuneration policy does not contain possibly perverse incentives that could be in conflict with an honest treatment of clients, and puts the client's interest first.

2.2 Other guidelines

Apart from the Group Standard there are other compliance guidelines drafted by the Compliance department. We distinguish two approaches which of course both serve one and the same purpose (i.e. to 'simply comply'), but which have a particular structure of their own in terms of the relationship between the Compliance department and the various Business Units concerning:

- Drafting Compliance Manuals;
- Drafting Requirements documents and Regulations.

A Compliance Manual sets out the operating instructions for a specific Business Unit and describes the procedures it should follow. Requirements documents and Regulations provide 'principle-based' frameworks on the basis of which a Business Unit can define its own processes and operations.

Any other guidelines that may apply depend on the individual staff member's employment contract. A distinction is made between generic guidelines and guidelines that apply specifically to specific Business Unit. A comprehensive overview of the guidelines is attached to this policy document as **Appendix I**.

2.3 Organisational, administrative and physical measures

VLK WM is divided into four Business Units, each serving different groups of clients and offering different types of products. These four Business Units are: Van Lanschot Private banking, Evi, Asset Management and Merchant Banking. In order to contain conflicts of interest properly, it has been specified for each Business Unit how it should identify conflicts of interest and which measures it should take to prevent or contain them.

2.3.1 Van Lanschot Kempen Wealth Management Conflict of Interest Organisation Chart

The VLK WM Conflict of Interest Organisation Chart (hereinafter: the organisation chart) provides an overview of the conflicts of interest that exist between the various Business Units, showing for each Business Unit which departments operate within these Business Units. The organisation chart also shows how such conflicts are being mitigated.

2.3.2 Conflicts of interest registers

Each Business Unit has a register in which the specific conflicts of interest affecting that particular Business Unit are explained in more detail. These registers are referred to as follows:

- Conflicts of Interest Register Private Banking.
- Conflicts of Interest Register Evi.
- Conflicts of Interest Register Asset Manager.
- Conflicts of Interest Register Merchant Banking.

These registers cite the conflicts of interest that could arise. The procedures and checks that are in place to identify, prevent and contain the conflicts of interest differ by department. These procedures and checks are explained in the registers, specified by department and by type of conflict of interest. The registers are stored in Sharepoint.

Each Business Unit should report at least once a year on the conflicts of interest that have arisen or, in the event of an ongoing investigation, that could arise.

3 Responsibilities

Compliance regulations are drafted on the basis of the fundamental principle that anyone who carries out activities for or on behalf of VLK WM is responsible for complying with the guidelines and procedures.

The Board of Management of VLK WM has ultimate responsibility for ensuring that compliance risks related to business operations are limited as much as possible. It is therefore also ultimately responsible for ensuring that possible conflicts of interest are identified, assessed and prevented. The Compliance department is responsible for drafting a Group Standard and compliance guidelines, and verifying compliance with the Group Standard and the guidelines. Staff are expected to act in accordance with this Group Standard and the compliance guidelines. The Management Teams of the Business Units are responsible for compliance with the compliance guidelines.

3.1 Regular review

The Compliance department has the duty to assess each year how conflicts of interest are being managed. The organisation chart and the registers also have to be assessed each year regarding the following aspects:

- Are the conflicts of interest still current and/or have new conflicts of interest been identified?

- Are the measures and checks listed still effective in preventing or containing conflicts of interest?

Changes will be introduced if the Compliance department concludes, either in an annual assessment or between assessments, that new conflicts of interest have been identified, or that the existing measures and checks are not sufficiently effective. Specific conflicts of interest will be made public only if their effective containment cannot be ensured.

The findings of the annual assessment of these Regulations concerning the managing of conflicts of interest will be shared with the Management Teams of Private Banking, Evi, Asset Management, and Merchant Banking.

Appendix I – Overview of guidelines

Generic applicable guidelines

- Group Standard Conflict of Interest
- Van Lanschot Kempen Wealth Management Code of Conduct
- Regulations on Chinese Walls and confidential information
- Variable Remuneration Policy (HR)
- Regulations on Gifts and Entertainment
- Regulations on secondary positions and other jobs
- Regulations on Personal Transactions

Guidelines specific to Merchant Banking (CF ECM and Kempen Securities)

- Compliance Manual CF ECM
- Compliance Manual Securities
- GPR Conflicts of Interest Policy
- Regulations on Personal Transactions

Guidelines specific to Asset Management

- Statement on Conflict of Interest
- Regulations on Personal Transactions