

APPENDIX 1

SUMMARY OF CONFLICTS OF INTEREST POLICY IN HSBC FRANCE (SPÓŁKA AKCYJNA) ODDZIAŁ W POLSCE

HSBC France (Spółka Akcyjna) Oddział w Polsce (“Bank”) has a procedure on conflicts of interest (“**Conflicts of Interest Policy**”) as amended from time to time, the material details of which are described below.

A Conflict of Interest (“Conflict”) is a situation or arrangement where Bank, HSBC Group, or a company with which they have an association, and/or any of their employees is subject to multiple influences, the competition of which might adversely affect decision-making or outcomes in the course of conducting business.

A Conflict can be due to the competition of legitimate influences (such as acting for multiple clients), or the presence of harmful ones (such as personal gain). Because it provides a wide range of services, Bank may from time to time have interests that conflict with its Clients’ interests or with the duties that it owes to its Clients.

Conflicts can arise between:

1. one Client and another (Client versus Client);
2. the Bank and a Client (Bank versus Client);
3. an employee and a Client (employee versus Client);
4. an employee and the Bank (employee versus Bank); and/or
5. one part of the HSBC Group and another (HSBC versus HSBC).

The client acknowledges that the Bank may recommend, or effect a transaction for the Client in which it or another company within the HSBC Group, or a company with whom it has an association may have an interest, relationship or arrangement that is material in relation to the transaction concerned. The Client further acknowledges and accepts that the Bank, another company within the HSBC Group, or a company with whom it has an association may have interests which conflict with the Client’s interests and may owe duties to other Clients which would otherwise conflict with the duties owed by the Bank to the Client, and consent to the same.

The Bank shall not be obliged to disclose to the client or take into consideration any fact, matter or finding which might involve a breach of duty or confidence to any other person, or which comes to the notice of any of our directors, officers, employees or agents but does not come to the actual notice of the individual or individuals dealing with the client.

The Bank, or another company within the HSBC Group, may be dealing as principal for its own account, and could be matching the Client’s transaction with that of another Client.

In accordance with the requirement to ensure fair treatment, the Bank has an independence policy requiring its employees to disregard any such interest, relationship or arrangements when acting under the customer’s agreement (the “**Agreement**”).

Where this is deemed necessary, the Bank maintains arrangements (known as “**Chinese Walls**”) which restrict access by its employees to information relating to areas of the Bank’s business (and that of other companies within the HSBC Group) with which, and the affairs of clients with whom, they are not directly concerned.

Accordingly, and in addition to the other provisions of this clause above:

- (a) the Bank will provide services to the Client from time to time under the Agreement on the basis of the information known to the particular employees who are at that time handling Client’s affairs;
- (b) in providing those services, neither the Bank nor those employees will be required to have regard to or to disclose to the Client or make use of any information known to those employees or to any other employee or agent of the Bank or of any other company within the HSBC Group which belongs to or is confidential to another Client or to the Bank or any other company within the HSBC Group; or which is not known to those employees; and
- (c) the Bank does not provide investment advisory services for its Clients. If the Client requests investment advice in relation to any financial instruments, the Bank will inform the Client that it is precluded from advising the Client in relation to those financial instruments.

The Bank will provide the Client with further details of the Conflicts of Interest Policy on written request.

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