



ICBC Limited London Branch

# Conflicts of Interest Policy

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## 1. Introduction

### 1.1 Overview

ICBC's business in London is part of the ICBC global banking group and offers a wide range of financial services. Because of this, ICBC Limited London Branch is necessarily exposed to potential and actual Conflicts Of Interest. It is inherent within the Group's values and Code of Conduct that all our Staff are aware of the nature of Conflicts Of Interest, and of the ways in which they can be effectively managed. This policy document aims to provide our Staff with an understanding of what types of Conflicts of Interest may arise throughout our business, how to identify Conflicts Of Interest, the controls and organisational arrangements in place to minimise conflicts, and procedures for managing conflicts.

### 1.2 Purpose and scope

This policy is applicable to all Staff of ICBC Limited London Branch, and describes the critical controls that must be maintained to mitigate the risk of loss, legal liability, or other damage to ICBC Limited London Branch, its clients, its suppliers, and its Staff arising from Conflicts Of Interest. Note that Board-level Management including Non-Executive Directors are deemed to be "above the wall" and are not subject to the procedural obligations of this policy. However, the Board is made aware of conflicts via periodic review of the Conflicts Register (see Section 11).

The policy describes the minimum control standards needed to ensure ICBC complies with Group standards and with all applicable local and international principals of good conduct and corporate governance.

It also aims to familiarise Staff with their obligation to be aware of potential and actual Conflicts of Interest and to manage them effectively. The policy sets out:

- The different types of conflicts that may arise anywhere throughout the business
- What types of situations may give rise to conflicts
- Obligations on all Staff to implement and maintain appropriate awareness and formal controls to identify and manage conflicts
- The actions that can be taken if Staff become aware of an event which may indicate a conflict
- Treatment of policy breaches and exceptions arising as a result of inadequately managed conflicts

Note that this policy does not attempt to describe the controls in place throughout ICBC Limited London Branch's business. All Staff members have a personal responsibility for ensuring they observe the requirements of this policy. Senior Managers are responsible for ensuring appropriate control structures are in place to mitigate the risks arising from Conflicts Of Interest.

If you are in any doubt as to the application or interpretation of this policy or any aspect of the topics discussed in this policy, please consult with a Compliance Officer who will be able to provide additional guidance. At all times, Staff must be aware of their responsibility to report new or changing conflicts or any activity that may be considered suspicious to the Compliance & Legal Department. Escalation can also be made in line with Whistleblowing Procedures which further support confidentiality and anonymity.

This Policy should be read in conjunction with the Firm's existing policies that govern Employee conduct

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### 1.3 Source of rules

Identifying and managing Conflicts of Interest is a fundamental tenet of professional conduct and of good corporate governance. Acting with integrity and avoiding damage to our business and its clients and Staff are cornerstones of ICBC's conduct values and Conflicts of Interest rules are formalised in this Policy and in the ICBC Group Conflicts Policy.

Guidelines for identifying and managing conflicts, which are obligatory for Staff, are included in the FCA's handbook. These obligations are further enforced through other regulatory frameworks which ICBC Limited London Branch must comply with, such as the Markets in Financial Instruments Directive (MiFID) and the Market Abuse Regulation (MAR).

Article 18 of MiFID requires firms to take all reasonable steps to identify Conflicts of Interest both between themselves and their clients and among their clients.

Article 13 of MiFID requires firms to maintain and operate effective organisational and administrative arrangements with a view to taking steps in order to prevent Conflicts of Interest from having an adverse effect on client interests.

## 2. Types of Conflicts

Conflicts of Interest can arise in all parts of ICBC's London business and can take many different forms. Furthermore, whilst some conflicts may be simple to identify and understand, other situations may present highly complex arrangements and multiple Conflicts of Interest between numerous different parties. This section does not represent a complete description of all types of conflicts that ICBC Limited London Branch may face, but it describes the different categories of conflicts that are typical in the financial services industry.

### 2.1 Actual and Perceived Conflicts

An actual conflict of interest is defined as a situation where financial or other personal or professional considerations compromise an individual's objectivity, professional judgment, professional integrity, and/or ability to perform his or her responsibilities to ICBC, its clients, its suppliers, or its Staff. The consequences of actual conflicts may include detriment to our clients, to ICBC's brand value, losses or missed opportunities, or legal or regulatory liabilities and subsequent penalties. Actual Conflicts of Interest increase the risk of fraud and can lead to substantial adverse consequences for individuals including internal disciplinary proceedings or criminal penalties such as fines or custodial prison sentences.

Perceived or potential Conflicts of Interest can also arise where they may appear to be a situation that a reasonable person might consider could present a Conflict Of Interests. Whilst the actual facts of the situation might not actually permit such a conflict, without sufficient consideration or appropriate disclosure of the controls in place, our clients, or other external stakeholders might assume there to be a conflict. This can lead to damage to ICBC's reputation and possible loss of business.

All Staff must be aware at all times of real and potential conflicts and ensure that all such situations are managed appropriately.

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## 2.2 Temporary and Permanent Conflicts

Conflicts may arise from many different types of situations and business arrangements and can be permanent in nature or temporary, particularly where the conflict arises from a single transaction. Permanent Conflicts of Interest are often associated with the structural configuration of ICBC Limited London Branch's business. This may be because of the nature of business lines that the firm engages with (such as lending to clients), the types of processes and controls that are necessary to carry out business (such as initiating transactions and making payments), or the types of clients that the firm deals with (where it may be involved with clients who have competing interests).

Permanent Conflicts of Interest must be formally recorded and must be mitigated in all cases by permanent control processes such as segregation of conflicting duties or barriers to information flows. It is the responsibility of all process and control owners to identify potential and actual conflicts inherent in their business areas and to notify these to the Compliance & Legal Department. The Compliance & Legal Department will work with business owners to assess and ensure that these conflicts are recorded on the Permanent Conflicts Register. The Compliance & Legal Department will also advise on controls to manage such conflicts and minimise the risk of loss or damage to the firm.

All Staff are also responsible for identifying and reporting new instances of temporary conflicts as and when they arise. Procedures for notifying the Compliance & Legal Department are described below and must be followed by all Staff. The risk of conflict is monitored throughout the life of the temporary conflict until the conflict ceases to exist or permanent controls are introduced to mitigate the risks.

## 2.3 Internal and External Conflicts

Conflicts can arise between ICBC and its external clients and other stakeholders such as 3<sup>rd</sup> party suppliers. Also, relationships and conflicts may exist between two or more of ICBC external clients or stakeholders (i.e. where the conflict is primarily external in nature and ICBC does not have an interest in one or other side of an arrangement). Staff should be mindful of these types of arrangements and the risk and impacts of such conflicts should be understood and assessed at the earliest possible opportunity. Furthermore, such conflicts may not initially exist but may emerge during the course of our business with a client or external company or person. Hence, where Staff become aware of changes in the nature of our external customers and stakeholders, Staff should consider whether the risk of potential conflicts has also changed.

Alternatively, conflicts may arise that are entirely internal to ICBC Limited London Branch. This situation often occurs where there is a poor segregation of potentially conflicting functions and a member of Staff may be responsible or capable of performing functions that should be entirely independent of one another. However, internal conflicts can also be caused by features of the structure of the business. For instance, conflicts may arise between the Bank and the Branch if the two entities pursue different but competing objectives. It is the responsibility of Managers to consider carefully all changes to business reporting structures, role descriptions, and similar organisational arrangements and the likelihood of conflicts of duties that arise from these changes.

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## 2.4 Public and Private Side Activities

Another category of internal conflicts arises between ICBC business lines where some business areas deal with corporate and investment banking activity, and other deal with trading in public markets. Corporate Banking business may involve lending transactions, corporate advisory and analysis activities, or new issuances of debt or other tradable instruments for clients – these businesses are classified as private-side in nature as they deal with client information that is not generally available to the public. Trading business (which is generally conducted by the Treasury Department and includes facilitating client orders or executing treasury transactions on behalf of ICBC Limited London Branch) is defined as public-side. It is a fundamental obligation that public and private-side business functions and departments are clearly designated and segregated from one another. Various controls are necessary to ensure appropriate separation of private and public side activities (including Chinese Walls) but a fundamental concept is that Staff are aware of their roles, their designation as private or public-side, and that they must not share private side information internally or externally except with appropriate authorisation and only on a need-to-know basis.

## 2.5 Common Situations That Involve Conflicts

It can be useful to provide examples of where Conflicts of Interest can commonly arise in banking organisations, however it is never possible to fully describe all such cases and Staff must always be mindful of any situation where there may be the potential for differing objectives or motives. In all cases, the Compliance & Legal Department will provide support where needed to analyse and respond to new or changing risk situations.

To determine whether a situation may give rise to internal or external, actual or perceived Conflicts Of Interest, Staff should consider if ICBC or its clients or other stakeholders will be disadvantaged because ICBC Limited London Branch or one or more of its Staff:

- is likely to make an inappropriate financial gain or avoid financial loss at the expense of a client
- has an interest in the outcome of a service provided to a client, or of a transaction carried out on behalf of a client which is distinct from the client's interest in that outcome
- has a financial or other incentive to favour the interest of a client or group of clients over the interests of another client
- carries on the same business as a client
- receives or will receive from a person (either a natural person or an organisation) an inducement in relation to a service provided to the client, in the form of money, goods or services, other than a standard commission or fee for that service
- has a financial or other incentive to favour the sale of a particular product or service to a client which is not in the best interest of the client
- has the opportunity to undertake or is obliged to undertake functions that may allow Staff members to benefit financially or otherwise and where this is inconsistent with ICBC Limited London Branch's objectives and core policies
- has the opportunity to influence the Bank granting business or making administrative and other material decisions in a manner that leads to personal gain or advantage for the Staff member. In such cases, the benefit to the Employee may also or instead be a benefit for a family member or close associate
- has a financial or other relationship with another person (internally or externally), impairs his or her judgment or objectivity in carrying out his or her duties
- favours the interests of an ICBC Limited London Branch business over the interests of another unit of the Bank or Branch where this activity is inconsistent with the overall objectives and expectations of ICBC Group.

## 2.6 Examples Relevant To ICBC Limited London Branch

- Assigning Staff responsibilities that fail to segregate critical functions such as:
  - setting up client or bank accounts (including new account opening, amendment to static data, etc.)
  - initiating transactions such as cash transfers, lending transactions, treasury transactions, internal purchase orders, etc.
  - initiating, authorising and/or executing payments to or from ICBC Limited London Branch accounts
- making investment decisions or dealing on the basis of inside information, or otherwise sharing confidential information unless authorised to do so
- offering preferential treatment to an external supplier in return for financial or other types of benefit
- diverting business to or from ICBC if this is not in the best interests of the client or if it is not consistent with the Booking Policy
- delivering assessments and/or incentives to Staff that encourage activity that is not consistent with the best interests of ICBC Group or of its clients
- engaging in client activity that may expose ICBC to unnecessary liabilities or that may be prejudicial to ongoing legal actions
- showing unfair or preferential advocacy for one or more clients based on privileged information of other ICBC clients

## 3. Managing Conflicts Of Interest

The successful treatment of actual and perceived Conflicts of Interest requires all Staff to follow the sequence of actions described below. Senior Management are responsible for ensuring appropriate control mechanisms are in place to support Staff in managing Conflicts Of Interest.

### ***Step 1 – Be aware of conflicts***

All Staff must be familiar with the requirements of this policy and of the types of situation within their normal working environment that may suggest a Conflict Of Interest. To support this obligation, periodic structured training will be provided to all Staff.

### ***Step 2 – Identification***

Staff must be sensitive to changes in their working environment that could give rise to new or changed Conflicts Of Interest. Specifically, Staff must consider whether internal or external changes may introduce a conflict of interest that had not existed previously, or changes the risk associated with an existing conflict. Certain situations (described below) require formal approval from the Compliance & Legal Department to proceed. This may include changes that reduce or remove a conflict. Situations that may indicate such changes include:

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**New business** – where ICBC Limited London Branch undertakes new business, Staff involved in assessing and implementing the change should consider the extent to which this introduces potential conflicts with existing businesses. New business may involve dealing with a new client or group of clients, transacting in new product types or new geographic markets, dealing with a new 3<sup>rd</sup> party service provider, initiating a major purchase order, engaging new Staff, etc. Specific new business processes may be further supported by formal policy and process guides that must mandate the need to formally assess and conclude on the risk of Conflicts of Interest that are associated with the business change. For instance, new Staff are required to complete an outside business interests attestation, new product approval processes are subject to formal committee-led due diligence that requires a formal opinion of potential Conflicts Of Interest, new suppliers and new work orders placed with suppliers are subject to formal due diligence and approval in line with Procurement Policies.

**Internal changes** – these may include organisational changes such as adjustments to functional reporting lines, physical office configurations, alterations to IT systems and access privileges, or changes to role profiles and accountabilities. In all cases, line management must consider the impact on existing organisational structures to identify and respond to potential Conflicts Of Interest.

**External changes** – from time to time, Staff will become aware of changes in the business arrangements of ICBC customers and external suppliers, such as changes in ownership, changes in operating model or strategy, rapid growth or contraction, etc. These changes may introduce changes in the business objectives of the external parties and may give rise to previously unseen Conflicts Of Interest.

**First Point Of Contact** – from time to time, a client will deal directly with their established Relationship Manager and may offer them a mandate or other instruction to act on their behalf in a transaction. In certain cases, the Relationship Manager may wish to identify another member of staff as the transaction lead. In all cases, the staff member receiving the information/mandate/instruction/order will be required to notify the Compliance & Legal Department of the receipt of the mandate as they will be the “first port of call” or the “first point of contact”. It will be possible to adjust team members and staff identified as over the wall in the case of this transaction and the Compliance & Legal Department will work with all parties to ensure the Conflicts Register correctly reflects the composition of ICBC Limited London Branch’s Deal team.

### **Step 3 – Assessment and escalation**

Upon becoming aware of a potential or actual Conflict Of Interest, a member of Staff should consider whether the situation requires further analysis and escalation. The first consideration should be to determine whether the conflict has already been identified and logged. To support this, the Compliance & Legal Department maintains a register of all permanent and temporary/transaction-linked conflicts.

The Staff member that has noted a conflict should also develop a preliminary description of the facts of the situation to assess: the likely nature and extent of risks to the organisation or its clients and stakeholders (ideally providing quantitative details where possible); the general timing of events that have led, or may lead to the conflict occurring; and, the main staff and business areas that may be involved in, or have an interest in, the situation under consideration. With this information, the Staff member should carefully consider the need to escalate the case for more thorough screening. The escalation should be made directly to the Compliance & Legal Department, but the initial assessment should be performed by the notifying Staff member which may be done in conjunction with the designated business line management. In keeping with Staff Handbook and Compliance Policy, all Staff must be mindful of the sensitivity of information that is to be discussed and, if confidentiality may be compromised by referring to line management, Staff should contact the Compliance & Legal Department exclusively to ensure confidentiality. Escalation of Conflicts of Interest should be



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undertaken immediately after the major facts of the situation have been assessed and more detailed analysis should not prevent prompt escalation.

#### ***Step 4 – Conflict Management***

There are generally two courses of action available for dealing with Conflicts Of Interest: avoid or mitigate. Whilst avoidance will generally be the most effective means of managing our risk, this will often result in lost commercial opportunities and possible harm to our reputation and avoidance may not be the most cost-effective means of dealing with a conflict. Where a decision is taken to undertake business that generates a conflict of interests (either permanent or temporary, or real or perceived), there are a wide range of tools and control processes that can be deployed to reduce the risk to ICBC, its clients and external stakeholders, and its Staff. Senior Management must be aware of all such control strategies and ensure that appropriate control measures are put in place prior to undertaking the conflicting activity or as soon as possible after it is detected. The objective of the controls will be to reduce the risk of loss or damage to within the agreed threshold (in line with the overarching ICBC Limited London Branch Risk Appetite).

#### ***Step 5 – Monitoring***

Where a conflict has been identified and logged, the situation must be monitored to:

Ensure the risk or other circumstances relating to the conflict have not changed - This responsibility is shared between the Staff who have notified the original conflict and any Business Areas that are associated with the conflict of interest or with controls to manage the conflict (these parties will typically be identified formally when the conflict is first logged). Any changes that are material to the nature of the conflict (including if the conflict ceases to exist) should be notified promptly to the Compliance & Legal Department.

Ensure the controls in place to manage the conflict are operating effectively - This responsibility lies with the Staff associated with the business activity that has given rise to the conflict, their supervisors, and to the Compliance & Legal Department. Note also that logging and management of conflicts may be subject to independent assessment by Internal Audit. Staff must ensure that all controls relevant for managing a conflict of interest (i.e. general controls such as system access restrictions, and those that are specific to a defined, temporary conflict such as ring-fencing of certain client-facing activities) are in place and continue to be sufficient and effective. Note that where the Compliance & Legal Department has logged a conflict of interest, there may be specific conditions or obligations issued to the relevant Staff to ensure the conflict is effectively managed. The conflict owner is accountable for escalating any instances where controls have failed or there has been a breach of an information barrier.

The Compliance & Legal Department is responsible for establishing and operating dedicated control processes to monitor activity throughout the Bank or Branch that may indicate a breach of Conflicts Of Interests controls. This monitoring covers the design of permanent control activities (delivered through its Compliance Monitoring Plan) and temporary, transaction-specific controls, such as checking of principal transactions relating to clients identified in respect of a conflict, or personal account trading activity, etc.

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## 4. General Approaches to Managing Conflicts

### 4.1 Avoidance

Where a Conflict Of Interest is identified that cannot be adequately managed or mitigated, or where a client or external party has not given consent to proceed with a line of business, the proposed activity must not be executed. The decision to suspend or reject activity must be taken on the basis of a formal opinion from Senior Management who will act in consultation with the Compliance & Legal Department. To prevent revenue loss or reputational damage, the opportunity to refer the declined business to other ICBC Limited London Branch businesses or external parties may be considered provided this does not entail similar Conflicts of Interest to those already identified.

### 4.2 Risk Mitigation

A range of measures may be considered to reduce the risk of damage or loss for ICBC, its clients, or its Staff and the correct choice of control activities will depend on the facts of each case as presented. Controls may be temporary or permanent in nature but should match the nature and timing of the conflict.

**Ring fencing** – the business activity in question may be segregated to prevent the unauthorised transfer of information or restrict access to specific business units and Employees. This approach involves establishing permanent or temporary Chinese Walls that act as information barriers within the Firm. Ring fencing will generally include a range of physical and logical (i.e. system-based) segregation measures and should be established according to discussion with the relevant control functions including the Compliance & Legal Department and the Information Technology Department. Physical measures may include moving Staff to office areas where access can be restricted, or ensuring restricted access communication, filing and other administrative arrangements are used. Logical access controls include functional/role-based system access privileges, use of restricted access network storage, dedicated secure telephony, etc.

**Transfer/Suspend activities** – certain activities that may introduce Conflicts of Interest can be permanently or temporarily transferred away from Staff members or business areas. For instance, Front Office Staff may be prevented from dealing with one or more of their regular, existing clients whilst they temporarily engage with another client to preclude a perceived conflict of interest.

**Other measures** – ICBC Limited London Branch has introduced a number of permanent and ad hoc control processes designed to restrict the flow of information between functions and reduce the risk of Conflicts Of Interest. These controls include:

- a clear desk policy
- secure computer access procedures in line with the IT Security Policy
- defined procedures for the handling, management and destruction of confidential and other sensitive documents and information
- a formal supervisory structure designed to promote active escalation, management and supervision of Conflicts Of Interest
- oversight of business activities by the Compliance & Legal Department and Internal Audit Department to monitor and report on Conflicts Of Interest
- review by the Compliance & Legal Department of gifts and inducements received or provided
- by any Staff members to ensure that they do not present material or inappropriate Conflicts Of Interest
- personal account dealing policies
- new client and new transaction due diligence procedures

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- formal wall crossing procedures and subsequent enhanced independent monitoring of transaction activities. Note that Wall Crossing Procedures are defined in the Wall Crossing Policy
  - outside business interests notification and screening procedures.

## **5. Specific Structural Controls**

### **5.1 Relationship between the Bank and the Branch**

To manage conflicts and potential conflicts between the Bank and the Branch there will be Service Level Agreements in place defining clear roles and responsibilities and service levels expected between the two entities, which includes clearly defined service standards and limits, any remuneration or incentives in the provision of services and policies in place in relation to managing Conflicts Of Interest. Staff shall not in conducting their roles favouring either the Bank or the Branch.

Staff shall not favour or give preferential treatment to either the clients of either the Bank or the Branch (subject to normal market pricing). In allocating business between the Bank and the Branch, Staff shall at all times act in accordance with the Booking Policy. In line with this policy, clients should be asked whether they have a preference to transact with the Bank or the Branch. Above all, Staff should not make any decision which would place ICBC Limited London Branch's interests before those of clients where this has a detrimental or possibly detrimental outcome for the client.

The incentive plans between the Bank and the Branch are fair and do not create any conflict. Where both the Bank and Branch are providing identical services and products, these are provided on same terms and conditions (subject to normal market pricing).

### **5.2 Relationship between ICBC Limited London Branch and other ICBC Group Entities**

To manage conflicts between ICBC clients and other members of ICBC's group, the Bank shall act independently from other ICBC group entities. No person may consider or be influenced in any service provided to a client by the interests of any other person, ICBC business function or ICBC generally, or of any other client.

In performing any service on behalf of a client, ICBC Limited London Branch and Staff shall place the client's interests first and any interest or potential interest of ICBC Limited London Branch, any other ICBC group entity or any other client which conflicts with these should be ignored.

Reliance on a policy of independence may not always be sufficient. The policy is appropriate to deal with a situation where a conflicting propriety interest of ICBC Limited London Branch can be identified and discounted in identifying a client. However, where Staff have knowledge of information that is confidential to one client and would be a conflict to act for another client on a particular transaction, ICBC would not act for the latter. The Compliance Officer should be contacted in any situation when an actual or potential conflict has arisen.

## **6. Notification To Clients**

ICBC shall only disclose a conflict of interest to its clients where all reasonable steps taken by ICBC to manage a particular conflict are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of a client will be prevented.

Disclosure to clients is not an alternative to the requirement to manage Conflicts Of Interest. Where Staff believe that a disclosure to a client is required, then he/she should consult with his/her immediate supervisor and the Compliance Officer before the disclosure is made.

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In these circumstances, relevant Staff should consider whether disclosure is appropriate or whether, bearing in mind the risks involved, it should decline to act for the client. The disclosure of Conflicts of Interest to clients does not create any rights or duties that would not exist if the disclosure had not been made and it does not form any part of the client terms of business governing the services provided by ICBC to its clients.

## **7. Management Of Accidental Breaches**

From time to time, staff may become aware of information that has been passed by accident to an individual who had not been previously notified of the situation, or had not been given the opportunity to screen/decline the receipt of this information. For instance, this may occur where a confidential email is sent by mistake to an unknown recipient. In such cases, the Compliance & Legal Department must be notified immediately about the potential leak of confidential information. Each case will be treated according to the presented circumstances, however, the general approach where information has been wrongly shared involves:

- Notification to the recipient (either by the original sender or directly by Compliance & Legal Department) that they have been provided with sensitive information in error. This notification must include explicit statements that the recipient has received confidential information and must not act on it. It also instructs the individual to contact their own Compliance function to notify them of the breach where this is possible.
- Request that the information is immediately destroyed, is not shared further, and is not otherwise acted upon by the recipient
- The Compliance & Legal Department will log the incident as a breach and will register the recipient details for future monitoring
- The original Staff member who has identified/caused the breach should liaise with line management to establish if a notifiable operational risk event has occurred.

## **8. Gifts And Inducements**

No Staff members may accept or give any gift or non-monetary benefit such as client entertainment that is likely to give rise to a conflict of interest with duties owed to ICBC Limited London Branch or his/her clients. For example, business lunches or tickets to sporting or cultural events are permitted (in moderation and subject to Professional Conduct Policy which contains Staff policy on gifts and hospitality, bribery and personal account dealing), but (subject to limited exceptions approved on an ad hoc basis by Senior Management) gifts with an estimated value in excess of £50 and hospitality with an estimated value in excess of £100, the financing of personal or business expenditure or preferential personal dealing terms are not permitted.

Any gifts of any kind received or given above the thresholds described by Staff must be disclosed in writing to the Compliance & Legal Department, which maintains and will record such items on the Bank's gift register.

## **9. Outside Business Interests**

Staff must devote his/her full time and loyalty to ICBC Limited London Branch's business. Generally, no Staff may engage in outside employment if this will lead to an impact on his/her performance or to Conflicts Of Interest.

Outside Business Interests (OBI) includes the following activities:

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- Acting as a Director / Executive Officer outside of ICBC Limited London Branch or ICBC Limited London Branch.
  - Being employed by, or acting as a consultant for, another person or entity.
  - Receiving compensation from another person or entity for business activities including, for example, a family business.
  - Receiving fees for an external work product, such as an article or speech.
  - Holding elected or appointed political or governmental position.

## 10. Outside Directorships

Whether the appointment is paid or unpaid, no Employee may serve as a director/executive officer of an external company unless the circumstances and reasons for service have been reviewed and approval given by the Head of Compliance & Legal.

Acting as a Director of a publicly-traded company or its affiliate is generally not permitted.

All outside directorship appointments require clearance with the Staff member's and an ICBC Compliance Officer in advance by completing an Outside Business Interest Declaration form as per Appendix A. The Compliance Officer shall maintain a record of the outside business interests, directorships or similar of any Staff in conjunction with the Conflicts Register.

## 11. Conflicts Register

In accordance with the requirements of MiFID and the FCA Handbook (10.1.6), the Bank must maintain an up-to-date register of "the kinds of service or activity carried out by or on behalf of [the Firm] in which a conflict of interest entailing a material risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise."

The Compliance & Legal Department is responsible for maintaining the Conflicts Register and this register must be subject to formal periodic review by senior management via the Risk Committee.