



Inducement Policy

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1. General information

1.1 Preamble

This Inducements Policy (the "Policy") outlines measures implemented by Mirabaud & Cie (Europe) SA and its branches (France, Spain and the United Kingdom) (the "Bank") to comply with the requirements set forth by:

- Directive 2014/65/EU, Commission Delegated Regulation (EU) 2017/565, and Commission Delegated Directive (EU) 2017/593 (together referred to as the "MiFID II Framework"); as well as
- Directive (EU) 2016/97 and Commission Delegated Regulation (EU) 2017/2359 (together referred to as the "IDD Framework").

In regard to inducements: commissions, fees, and non-monetary benefits received or provided in relation to the provision of investment, ancillary and insurance distribution services to its clients. Under the MiFID II Framework and the IDD Framework, investment firms are obligated to prioritise client interests and prevent conflicts of interest that could compromise the quality of service. This Policy ensures that all inducements received or provided by the Bank are transparent, justified, and do not impair the Bank's duty to act honestly, fairly, and professionally in accordance with the best interests of the Bank's clients.

This Policy:

- Identifies inducements;
- Distinguishes between prohibited and permitted inducements;
- Outlines conditions under which permitted inducements can be received by the Bank or offered to a third party;
- Ensures consistent monitoring and compliance with the MiFID II Framework and the IDD Framework.

In addition, the Bank acknowledges the EU Commission's Proposal on the Retail Investment Strategy, which redefines rules on inducements. Once finalised and approved by the EU, the Bank will update this Policy and its internal framework accordingly.

1.2 Sources

The Policy is based on the following sources:

EU

- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (as amended) (the "MiFID II")
- Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (as amended)

- Commission Delegated Directive (EU) 2017/593 of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits (as amended) (the “MiFID II Delegated Directive”)
- Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (as amended) (the “IDD”)
- Commission Delegated Regulation (EU) 2017/2359 of 21 September 2017 supplementing Directive (EU) 2016/97 of the European Parliament and of the Council with regard to information requirements and conduct of business rules applicable to the distribution of insurance-based investment products (as amended)
- ESMA Questions and Answers on MiFID II and MiFIR investor protection and intermediaries topics (ESMA35-43-349) as of 15 December 2023 (as amended)

Luxembourg

- Law of 5 April 1993 on the financial sector (as amended)
- Law of 7 December 2015 on the insurance sector (as amended)
- Grand-ducal Regulation of 30 May 2018 on the protection of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or nonmonetary benefits (as amended)
- CSSF Circular 07/307 on MiFID: conduct of business rules in the financial sector (as amended)

Bank

- Code of Conduct
- Conflicts of Interest Policy

1.3 Definitions

Ancillary Services

ancillary services listed in Section B of Annex I to the MiFID II

Bank

Mirabaud & Cie (Europe) SA and its branches (France, Spain and United Kingdom)

Client

any individual or legal entity (including legal arrangement) with whom the Bank has entered into a contract to provide the Services

Business Introducer

an entity that interacts with numerous potential Clients whose profiles align with the Bank's strategy and can introduce them to the Bank under the terms and conditions outlined in a cooperation agreement with the Bank

¹ Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directives (EU) 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU and (EU) 2016/97 as regards the Union retail investor protection rules

² For Q&As issued from 1 January 2024, please search in the ESMA Q&A IT-tool <https://www.esma.europa.eu/esma-qa-search-page/all>

Independent Asset Managers (IAMs)

sole proprietorships, commercial corporations or cooperative corporations registered in the commercial register or equivalent according to their place of incorporation, independent of the Mirabaud Group and in possession of an ad-hoc authorisation, who manage the assets of third parties in an independent and professional capacity

Inducements

fees and commissions paid or been paid, or non-monetary benefits provided or been provided, to or by a third party or a person acting on behalf of a third-party, including any entity from the Mirabaud Group, in connection with the provision of the Services to the Clients

Insurance Product

insurance-based investment product as defined under the IDD

Insurance Services

insurance distribution as defined under the IDD

Investment Services

investment services and activities listed in Section A of Annex I to the MiFID II

Minor Non-Monetary Benefits

as defined under Article 12 of the MiFID II Delegated Directive

Services

the following services that are rendered by the Bank to the Client either separately or together:

- the Ancillary Services, and/or
- the Insurance Services, and/or
- the Investment Services

Research Services

mean the following:

- research material or services concerning one or several financial instruments or other assets, or the issuers or potential issuers of financial instruments, or as covering research material or services closely related to a specific industry or market such that it informs views on financial instruments, assets or issuers within that industry or market; and
- material or services that explicitly or implicitly recommend or suggest an investment strategy and provide a substantiated opinion as to the present or future value or price of financial instruments or assets, or otherwise contain analysis and original insights and reach conclusions based on new or existing information that could be used to inform an investment strategy and be relevant and capable of adding value to the Bank's decisions on behalf of the Clients being charged for that research

2. Roles and responsibilities

2.1 Board of Directors

The Board of Directors of the Bank approves this Policy and amendments proposed by the Compliance Department of the Bank.

The responsibilities of the Board of Directors in relation to this Policy include:

- defining and reviewing the Bank's strategic objectives and risk strategy to ensure alignment with the regulatory framework on the Inducements, guaranteeing that they do not impair compliance with the Bank's duty to act honestly, fairly, and in the Client's best interest;
- ensuring internal governance frameworks are designed to prevent conflicts of interest arising from the Inducements and that they do not impair compliance with the Bank's duty to act honestly, fairly, and in the Client's best interest.

The Board must have adequate access to information and documents to fulfil this role properly. The 2nd line of defence informs the Board of Directors of the Bank regarding the implementation and effectiveness of the control environment on the Inducements.

The 3rd line of defence also shares with the Directors their audit report about the Bank's compliance with the Inducements.

When those findings require actions, the Authorised Management, with the input of the relevant departments, proposes solutions to the Board. The Directors validate the propositions and then survey their implementation.

2.2 Authorised management

The Authorised Management is responsible for the day-to-day management and implementation of compliance with the regulatory framework on the Inducements within the Bank. The Authorised Managers control the Bank's compliance with this Policy on the basis of the reports, presentations and control results prepared by the relevant departments. This ensures the ability to monitor and, on a regular basis, evaluate the adequacy and effectiveness of the Bank's systems, internal control mechanisms and arrangements.

2.3 First line of defence

2.3.1 Relationship Manager

The Relationship Manager (the "RM") is responsible for:

- composing and following up on the application file to establish a relationship with the Business Introducer or the IAMs;
- collecting and formalising information on the scope of assistance rendered by the Business Introducers or the IAMs to the Bank's Services, as well as the Inducements paid to them for these services;
- periodically reviewing that the assistance provided by the Business Introducers or the IAMs are in line with contractual agreement between the Bank and them, and that such assistance enhance the quality of the Services rendered by the Bank to the Clients.

2.3.2 BRM

The BRM ensures the quality enhancement analysis performed by the RMs on the paid Inducements to the Business Introducers and the IAMs is properly documented and justified.

2.4 Finance Department

The Finance Department is in charge of:

- maintaining a register of the Inducements provided by the Bank or received from third parties;
- calculating the amount of the Inducements to be paid.

2.5 Legal department

The Legal Department drafts the model contract to be concluded between the Business Introducer or the IAM and the Bank to define the terms and conditions of their cooperation. If necessary, it amends the contract in response to organisational, legal, or regulatory changes.

2.6 Second line of defence

The Compliance Department is in charge of:

- performing Compliance Risk Assessment in relation to the Inducements;
- performing controls on the Inducements as per the defined control framework in its Compliance Monitoring Programme;
- maintaining Minor Non-Monetary Benefits register, that is based on the information in the Gifts and Entertainment register;
- reviewing and updating this Policy at least once annually;
- delivering trainings to the Bank's employees on the Inducements.

2.7 Third line of defence

Internal Audit covers the Inducement topic in the scope of its audit assessment and presents findings to the Board.

3. Receiving and providing the Inducements

As a general rule, the Bank prohibits the receipt and provision of the Inducements unless explicitly permitted under the MiFID II Framework and the IDD Framework. Accordingly, the Bank classifies the Inducements into two categories: prohibited and permitted:

Prohibited

in connection with discretionary portfolio management and independent advice, except for the Minor Non-Monetary Benefits;

Permitted

in connection with:

- the Investment Services (other than discretionary portfolio management and independent advice) and the Ancillary Services;
- the Insurance Services;
- remuneration to the Business Introducers and the IAMs.

3.1.1 Discretionary portfolio management and independent investment advice

The Bank neither accepts nor provides the Inducements in connection with the provision of independent investment advice or discretionary portfolio management services to the Clients. This prohibition also applies to the Inducements received from or provided to third-party product manufacturers or entities within the Mirabaud Group for the distribution of their financial instruments under these services.

In the event that the collection of the Inducements cannot be avoided, all the Inducements received by the Bank in connection with the provision of independent investment advice and discretionary portfolio management must be:

- disclosed to the Clients; and
- returned in full to the Clients.

Exceptions to this rule include the Minor Non-Monetary Benefits that are capable of enhancing the quality of discretionary portfolio management and independent investment advice—please see below for more details on what qualifies as the Minor Non-Monetary Benefits and the circumstances under which they can be accepted.

3.1.1.1 Minor Non-Monetary Benefits

The following Minor Non-Monetary Benefits qualify as enhancing the quality of discretionary portfolio management and independent investment advice and are therefore considered acceptable only if they are:

- a. information or documentation relating to a financial instrument or discretionary portfolio management or independent investment advice, is generic in nature or personalised to reflect the circumstances of the Client;
- b. written material from a third party that is commissioned and paid for by an corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is

made available at the same time to any investment firms wishing to receive it or to the general public;

- c. participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or discretionary portfolio management or independent investment advice;
- d. hospitality of a reasonable de minimis value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned under point c. above; and
- e. other minor non-monetary benefits which a Member States deems capable of enhancing the quality of discretionary portfolio management or independent investment advice provided to Client and, having regard to the total level of benefits provided by one entity or group of entities, are of a scale and nature that are unlikely to impair compliance with the Bank's duty to act in the best interest of the Client.

The acceptable Minor Non-Monetary Benefits shall be reasonable and proportionate and of such a scale that they are unlikely to influence the Bank's behaviour in any way that is detrimental to the interests of the Client.

3.1.2 The Investment Services (other than discretionary portfolio management and independent investment advice) and the Ancillary Services

The Inducements received from or provided to a third party in connection with:

- the Investment Services (other than discretionary portfolio management and independent investment advice); and
- the Ancillary Services.

are allowed only if the Inducements:

- are designed to enhance the quality of the Investment Services (other than discretionary portfolio management and independent investment advice) and Ancillary Services rendered by the Bank to the Client; and
- do not impair compliance with the Bank's duty to act honestly, fairly and professionally in accordance with the best interest of the Clients.

The Inducement shall be considered as "designed to enhance the quality" if all of the following conditions are met:

- it is justified by the provision of an additional or higher level service to the Client, proportional to the level of the Inducements received, such as:
 - the provision of non-independent investment advice on and access to a wide range of suitable financial instruments including an appropriate number of instruments from third party product providers having no close links with the Bank;
 - the provision of non-independent investment advice combined with either:
 - an offer to the Client, at least on an annual basis, to assess the continuing suitability of the financial instruments in which the Client has invested; or
 - with another on-going service that is likely to be of value to the Client such as advice about the suggested optimal asset allocation of the client; or

– the provision of access, at a competitive price, to a wide range of financial instruments that are likely to meet the needs of the Client, including an appropriate number of instruments from third party product providers having no close links with the Bank, together with either the provision of added-value tools, such as objective information tools helping the relevant Client to take investment decisions or enabling the relevant Client to monitor, model and adjust the range of financial instruments in which they have invested, or providing periodic reports of the performance and costs and charges associated with the financial instruments.

- it does not directly benefit the Bank, its shareholders or employees without tangible benefit to the relevant Client;
- it is justified by the provision of an on-going benefit to the relevant Client in relation to the on-going Inducements.

The Inducement shall not be considered acceptable if the provision of the Investment Services (other than discretionary portfolio management and independent investment advice) and the Ancillary Services to the Client is biased or distorted as a result of the Inducement.

The Bank shall fulfil the requirements set out in above on an ongoing basis as long as the Bank continues to receive or provide the Inducements.

3.1.2.1 Research Services

For payments for the Research Services, provided by third parties to the Bank for the provision of discretionary portfolio management or the other Investment Services or the Ancillary Services to the Clients, not to be considered as the Inducements, the Bank shall:

- before the execution services or the Research Services have been provided, an agreement has been entered into between the Bank and the Research Services provider, identifying the part of any combined charges or joint payments for execution services and the Research Services that is attributable to the Research Services;
- the Bank informs the Clients about the joint payments for execution services and the Research Services made to the third party providers of the Research Services;
- and the Research Services for which the combined charges or the joint payment is made concerns issuers whose market capitalisation for the period of 36 months preceding the provision of the research did not exceed EUR 1 billion, as expressed by end-year quotes for the years when they are or were listed or by the own-capital for the financial years when they are or were not listed.

3.1.3 The Insurance Services

Reception by the Bank and provision to third parties of the Inducements in connection with the provision of the Insurance Services is prohibited if the Inducements have:

- a detrimental impact on the quality of the Insurance Services; and
- impair the Bank's compliance with duty to act honestly, fairly and professionally in accordance with the best interests of the Clients.

The Inducement shall be considered to have a detrimental impact on the quality of the Insurance Services provided to the Clients if it is of such a nature and scale that it provides an incentive to carry out the Insurance Services in a way that is not compliant with the obligation to act honestly, fairly and professionally in accordance with the best interests of the Clients.

To determine whether the Inducement has a detrimental impact, the Bank shall, in particular, consider the following criteria:

- whether the Inducement could provide an incentive to the Bank to offer or recommend a particular Insurance Product to the Client despite the fact that the Bank would be able to offer a different Insurance Product which would better meet the Client's needs;
- whether the Inducement is solely or predominantly based on quantitative commercial criteria or whether it takes into account appropriate qualitative criteria, reflecting compliance with applicable regulations, the quality of the Insurance Services provided to the Client and the Client's satisfaction;
- the value of the Inducement paid or received in relation to the value of the Insurance Services provided;
- whether the Inducement is entirely or mainly paid at the moment of the conclusion of the insurance contract or extends over the whole term of that contract;
- the existence of an appropriate mechanism for reclaiming the Inducement in case the Insurance Product lapses or is surrendered at an early stage or in case the interests of the Clients have been harmed;
- the existence of any form of variable or contingent threshold or any other kind of value accelerator which is unlocked by attaining a target based on volume or value of sales.

3.1.4 Remuneration to the Business Introducers

The Bank distinguishes two types of the Inducements paid to the Business introducers:

- One-off commission for the introduction of the Client to the Bank; and
- Recurrent commissions for additional assistance that enhances the quality of the Investment Services and the Ancillary Services provided by the Bank to the Client introduced by the Business Introducer. Such commissions are subject to the (i) quality enhancement test and (ii) conflicts of interest assessment, as described in the section 3.1.2. "Investment Services (other than discretionary portfolio management and independent investment advice) and Ancillary Services".

3.1.5 Remuneration to the IAMs

The Bank may pay the Inducements to the IAMs for additional assistance that enhances the quality of the Investment Services and the Ancillary Services provided by the Bank to the Client introduced by the IAMs.

Such commissions are subject to the (i) quality enhancement test and (ii) conflicts of interest assessment, as described in the section 3.1.2. "Investment Services (other than discretionary portfolio management and independent investment advice) and Ancillary Services".

4. Disclosure to the Clients

In relation to the Inducements, including acceptable Minor Non-Monetary Benefits, the Bank shall disclose to the Clients the following information:

- prior to the provision of the Investment Services or the Ancillary Services, the Bank shall disclose to the Client information on the Inducements. Minor Non-Monetary Benefits may be described in a generic way. Other non-monetary benefits received or paid by the Bank in connection with the investment service provided to a client shall be priced and disclosed separately;
- where the Bank was unable to ascertain on an ex-ante basis the amount of the Inducements to be received or paid, and instead disclosed to the Client the method of calculating that amount, the Bank shall also provide the Clients with information of the exact amount of the Inducement received or paid on an ex-post basis; and
- at least once a year, as long as the (on-going) Inducements are received by the Bank in relation to the Investment services provided to the Clients, the Bank shall inform the Clients on an individual basis about the actual amount of payments or benefits received or paid. Minor Non-Monetary Benefits may be described in a generic way.

5. Record keeping obligations

The Bank shall evidence that the Inducements received or provided by the Bank in connection with:

- the Investment Services and the Ancillary Services rendered to the Clients are designed to enhance the quality of these services, and do not impair compliance with the Bank's duty to act honestly, fairly and professionally in accordance with the best interest of the Clients;
- the Insurance Services rendered to the Clients have no detrimental impact on the quality of these services, and do not impair the Bank's compliance with duty to act honestly, fairly and professionally in accordance with the best interests of the Clients.

by

- keeping an internal list of the Inducements received or provided by the Bank to or from a third party in relation to the provision of Services; and
- recording how the Inducements received or provided by the Bank, or that it intends to use:
 - enhance the quality of the Investment Services and the Ancillary Services provided to the Clients; or
 - have no detrimental impact on the quality of the Insurance Services provided to the Clients; and
 - the steps taken in order not to impair the Bank's duty to act honestly, fairly and professionally in accordance with the best interests of the Client.

6. Training

The Compliance Department is in charge of the training regarding the Inducements.

The Compliance Department establishes the annual training plan and ensure its implementation with the help of Human Resources department.³

7. Entry into force

This Policy was approved by the Board of the Bank and it entered into effected for the Bank as soon as it was approved.

8. Internal References

Policy / Procedure	Reference
Code of Conduct	page 4
Conflicts of Interest Policy	page 10
Gifts and Entertainment Policy	page 6
Business Introducers Policy	page 4
Business Introducers Internal Procedure	page 11
Internal Procedure on Independent Asset Managers (IAMs)	page 14

³ In accordance with the internal Training Governance Procedure