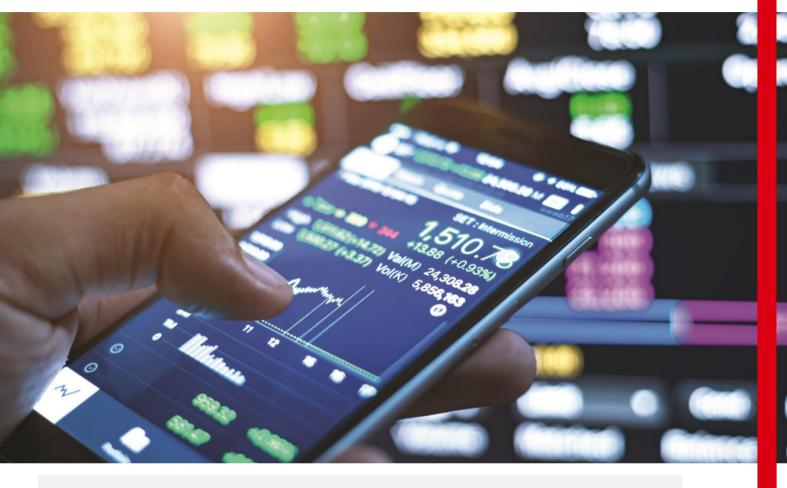
HSBC Conflicts of Interest Policy Summary



Set out below is a summary of the HSBC Group Conflicts of Interest Policy

The HSBC Group

Headquartered in London, HSBC is one of the largest banking and financial services organisations in the world. HSBC's international network comprises offices in countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East, Africa and Turkey.

Conflicts of Interest

A Conflict of Interest ("Conflict") is a situation or arrangement where HSBC Group, or a company with which it has an association, ("HSBC") and/or any of its 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, HSBC 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. HSBC and a client (HSBC versus client);
- 3. an employee and a client (employee versus client);
- an employee and HSBC (employee versus HSBC); and/or
- 5. one part of HSBC and another (HSBC versus HSBC).

HSBC has established policies and procedures that are designed to identify, and prevent or manage Conflicts. Conflicts policies are reviewed at least annually. These policies and procedures include arrangements to safeguard the interests of clients.



How HSBC deals with Conflicts

HSBC's organisational structures are designed so that behaviour that could lead to Conflicts is not incentivised or rewarded.

Where necessary, HSBC restricts the flow of information to certain employees in order to protect its clients' interests.

HSBC has procedures in place to:

- Identify all types of potential Conflicts that could reasonably arise in the context of its activities;
- Maintain registers of all potential Conflicts identified;
- Prevent or manage Conflicts on an ongoing basis;
- Disclose Conflicts where appropriate; and
- Maintain evidence of all occurrences of Conflicts that cannot be managed.

Identifying Conflicts

Each of HSBC's Global Businesses is required to consider the types of potential Conflict relevant to the specific services and activities they carry out.

For example, potential Conflicts are considered when:

- Developing a new product;
- Establishing or amending any cross-referral, revenue sharing or joint venture arrangements; or
- Transferring businesses, activities or operations (or parts thereof) to another part of the Group.

When potential Conflicts involve clients, the assessment also takes into account whether the Group and/or any employee:

- Is likely to make a financial gain or avoid a financial loss at the expense of any client;
- Has an interest in the outcome of a service provided to a client, or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome:
- Has a financial or other incentive to favour the interest of one client (or group of clients) over another;
- · Carries on the same business as the client; and/or
- Receives or will receive an inducement in relation to a service provided to the client from a person other than the client.

HSBC maintains internal registers, documenting and evaluating all identified potential Conflicts. These registers also record the controls in place to prevent or manage each type of Conflict, and are subject to regular oversight and review by HSBC senior management.

Preventing or managing Conflicts

HSBC structures the remuneration, deployment and management of employees in a way that minimises Conflicts.

Conflicts clearing procedures ensure that, where necessary, potential Conflicts are escalated and managed before HSBC is committed to a transaction.

In some cases, HSBC will consider declining to act for one of more clients. For example, if:

- · A Conflict is too great;
- Confidentiality obligations prevent adequate disclosure (see Disclosure, below); and/or
- Informed consent cannot be obtained, or is an insufficient control to manage a Conflict.

A dedicated Conflicts Management Office, reporting to the Regulatory Compliance department, is the point of escalation for significant Conflicts, and resolution of cross-business Conflicts brought to its attention. Written reports on the services and activities reflected in the Registers of Conflicts are presented to senior management of the Group at least annually.

Disclosure

HSBC may make general disclosures to clients about certain types of potential Conflicts, explaining how such Conflicts are managed (for example, through separation of businesses or measures to prevent unauthorised sharing of confidential information) to mitigate the risk of damage to clients' interests.

However, where HSBC has used all reasonable efforts to prevent or manage a Conflict, but the risk of damage to a client interests remains, a specific disclosure about the presence of a Conflict will be made to the client.

Specific disclosures will be made prior to the conclusion of a contract, in a durable medium, and include sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision.

At times, a duty of confidentiality to one client might limit the disclosures that can be made to another.

Employees

HSBC requires its employees to apply good judgement and act with integrity, taking all appropriate steps to:

- Avoid personal Conflicts (for example, in their personal account dealings); and
- 2. Proactively escalate personal Conflicts that do arise.

No employee is permitted to advise a client on any matter in which they have a personal interest, nor take commercial decisions on behalf of the Group if those decisions are connected to their personal or external business affairs until steps have been taken to satisfactorily manage the Conflict.

HSBC will take all reasonable steps to identify, and prevent or manage, Conflicts of Interest.

HSBC Bank Malta plc is authorised by the Malta Financial Services Authority to provide investment services under the Investment Services Act 1994. HSBC Bank Malta plc is enrolled as a tied insurance intermediary for HSBC Life Assurance (Malta) Ltd under the Insurance Intermediaries Act 2006. Registered Address: 116, Archbishop Street, Valletta VLT 1444. Company No.:C3177. © HSBC Bank Malta p.l.c. 2017. All rights reserved.