

## **CONFLICTS OF INTEREST (08/02/2019)**

### **Prevention and Avoidance of Conflicts of Interest**

In addition to any applicable legal requirements on conflicts of interest, Haitong Research is subject to internal guidelines, designed to set a minimum standard to which Haitong Research reports should adhere to.

Decisions to initiate, resume, suspend or terminate research coverage of any issuer or securities are the exclusive responsibility of research management in conjunction with the research analysts involved.

No information that may be available to Haitong Bank Group as a result of providing investment banking services relating to issuers under Haitong Research's coverage universe can be used in the production of research reports.

All Haitong Research reports must be approved by a supervisory analyst and, where necessary, reviewed by research management prior to its distribution. In addition for other tasks, the supervisory analyst is responsible for confirming that the appropriate disclosures are included in a research report.

All decisions on the timing for release and content of research reports may not be made, or inappropriately influenced, by persons not included within the scope of the research team involved in the preparation of these reports, and all new research content, and other material statements of Haitong Research, may not be disclosed selectively before being made available fully through the approved distribution channels used for Haitong Research reports. Haitong Research shall make its research materials available simultaneously to clients and other parts of Haitong Bank Group.

During the production of research reports, Haitong Research analysts must operate in an environment that is without undue influence and is independent and autonomous from all other Haitong Bank Group divisions (compliance excluded, on compliance matters). Haitong Research analysts are not permitted to be involved in activities within the Haitong Bank Group that may prejudice, or appear to prejudice, the independence of their research. Haitong Research analysts should be supervised exclusively by research management, which should also operate independently from all other areas of Haitong Bank Group. Analysts' compensation may not be directly linked to specific investment banking transactions or investment banking groups. Analysts are prohibited from soliciting or accepting any kind of remuneration, benefits or inducements (including the selective disclosure by an issuer of material information not generally available) from any issuer or any other party in relation to the publication of research. No analysts, or members of their households, may deal or have a financial interest in securities issued by entities included in the sector covered by them. No research management personnel, or members of their households, may deal or have a financial interest in securities issued by entities included in the sector covered by analysts under their supervision. No supervisory analysts, or members of their households, may deal or have a financial interest in securities issued by entities covered in reports subject to their revision. The prior approval by the local compliance department is mandatory on every personal dealing transaction in relation to securities issued by covered entities.

There is a Chinese Information Barriers policy aimed at controlling and managing any potential conflicts of interest and possible breaches of internal and external provisions relating to the flow of information. To implement the Chinese Walls policy, effective information barriers are in place between Haitong Research occupied facilities, and all other Haitong Bank Group business and support areas, with the following basic requirements: there must be organizational, physical and personnel separation up to the highest possible level between Haitong Research and Haitong Bank Group; Haitong Research employees report hierarchically to their managers inside Haitong Research only; and Haitong Research employees shall make exclusive use of information from Haitong Research data storage systems and software that are not accessible to other divisions of the Haitong Bank Group or to third parties.

Interaction between Haitong Research analysts and any persons outside research are subject to strict procedures and limitations in order to avoid the occurrence of situations that might result in actual or perceived inappropriate influences on analyst views. Issuers subject to coverage by Haitong Research may not be previously informed about the content of recommendations included in research reports and neither may the assumptions included in these reports be subject to validation by these issuers.

### **Ownership and Material Conflicts of Interest**

Haitong Bank, S.A. and/or its subsidiaries (including all entities within Haitong Research) and/or their directors, officers and employees, may have, or have had, interests or qualified holdings on issuers mentioned in this report. Haitong Bank, S.A. and/or its subsidiaries may have, or have had, business relationships with the companies mentioned in this report. However, the research analysts may not purchase or sell securities or have any interest whatsoever in companies subject to their opinion.

Haitong Bank, S.A. and/or its subsidiaries do not have any qualified shareholding (1.0% or more) in any issuer covered in this report.

Pursuant to Polish Ministry of Finance regulations, we inform that neither does Haitong Bank, S.A. nor its subsidiaries have any qualified shareholding in the Polish Securities Issuers mentioned in this report in excess of 5% of its total share capital.

Haitong Bank, S.A. and/or its subsidiaries have a net long position exceeding the threshold of 0.5 % of the total issued share capital of PBG covered in this report.

Haitong Bank, S.A. and/or its subsidiaries do not have any net short position exceeding the threshold of 0.5 % of the total issued share capital of any issuer covered in this report.

Haitong Bank, S.A. and/or its subsidiaries are liquidity providers or market makers for Altri.

Haitong Bank, S.A. and/or its subsidiaries participate, or have participated, in the last 12 months as a syndicate member in bond issues of Altri, EDP and REN.

Haitong Bank, S.A. and/or its subsidiaries participate or have participated in the last 12 months as a syndicate member in share offerings of Iberdrola, Ten Square Games and Sonae SGPS.

Haitong Bank, S.A. and/or its subsidiaries provided in the last 12 months investment banking services to the following companies: Altri, EDP, Mota-Engil, REN, Corticeira Amorim, Sonae SGPS, Iberdrola, Ten Square Games, Navigator and PZU.

Haitong Bank, S.A. and/or its subsidiaries do, and seek to, provide investment banking or other services to the companies referred to in this research report. As a result, investors should be aware that a conflict of interest may exist in the future, in which case, Haitong Bank S.A. and/or its subsidiaries will update the current disclaimer.