



FIDEURAM
ASSET MANAGEMENT UK

Conflicts of Interest Policy

February 2024

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DOCUMENT CONTROL

Version n.	Issue date	Issued by	Amendment - whole / partial
1	December 2022	CORM	Initial issuance
2	January 2024	CORM	Annual update

1. INTRODUCTION

The *Intesa Sanpaolo Group* (hereafter also the *Group*) carries out a wide range of activities which can result in significant conflicts of interest among the companies of the *Group*, the *Relevant Persons* of the *MiFID-scope subsidiaries* (hereinafter also the *Companies*) and relevant *Customers* or among its *Customers*, when providing *Investment services and activities* or *Ancillary services* or a combination of them.

Fideuram Asset Management UK Limited (hereafter also “FAM UK”), as being among the *Companies* providing collective and individual portfolio management services of the *Intesa Sanpaolo Group*, implements and keeps a policy for the management of conflicts of interest. It takes into account the nature, size and complexity of its activities and the circumstances it knows or should know liable to cause a conflict of interest due to the structure and the activities of the other members of the *Group* as well as to the activities carried out by the *Relevant Persons*.

This document represents FAM UK’s Policy for the management of conflicts of interest and it aims at:

- identifying the circumstances which result in or could result in a conflict of interest able to seriously damage the interests of one or more *Customers*, including his/her ESG (Environmental, Social, Governance) *Sustainability preferences*;
- describing the organisational procedures and measures adopted to manage these conflicts of interest.

The content of this Policy is reviewed at least annually, or upon occurrence of significant circumstances which require its modification and/or integration, to make the identification of circumstances resulting in or which could result in some conflicts of interest continuously updated, to take the possible modifications occurred in the organisational structure of the *Intesa Sanpaolo Group* and of the *Services* it provides into account and to keep a high control of the solutions identified for the mitigation of conflicts of interest found out (e.g.: at any time of a change to business model/new product, etc.).

Such activity is carried out by FAM UK’s Compliance and Risk Management which avails of the support of FAM UK’s relevant units. In particular, business and compliance units work together to monitor conflicts of interest for more effective identification and management, considering that the identification of conflicts of interest is seen by FAM UK as all employees’ responsibility, considering conflicts of interest from both a bottom up and top-down approach.

FAM UK prepared this Policy, focused on *portfolio management services*, keeping in mind both the directions contained in the Group and Parent Company’s Policy and the peculiarities of its own operations and organisational and procedural structure.

Any amendment to this Policy, or any reporting stating that, as per semi-annual review, there is no need for any amendment, is submitted to the attention of the corporate bodies of FAM UK.

2. CONFLICTS OF INTEREST IN THE PROVISION OF SERVICES

This Policy contains the description of the circumstances resulting in or which could result in conflicts of interest situations liable to seriously damage the interests of one or more *Customers* and which arise among FAM UK and/or the *Relevant Persons* and/or with the *Customer* or among the *Customers*, during the provision of any *portfolio management service and advice*.

FAM UK is authorised to provide:

- *portfolio management*,
- *advisory*.

2.1 Portfolio management

- a) In the *Portfolio management* service, including *Financial instruments* issued, set-up, or managed by the *Group* (or by a *Relevant Persons* or a *Person related to a Relevant Person*) in the assets under management implies a conflict of interest because the Company could be induced to include inside the assets under management these *Financial instruments* to preserve their relationship with the *Issuer* and/or promote the interests of the *Group* or the *Relevant Person* rather than in the best interests of the *Customer*.
- b) In the *Portfolio management* service, including in the assets under management *Financial instruments* for which a *Group Company* participated in the *Distribution* implies a conflict of interest because FAM UK could be incentivised to include in the portfolio such *Financial* to preserve their relationship with the *Issuer* and/or promote the interests of the *Group* or the *Relevant Person* rather than in the best interests of the *Customer*.
- c) In the *Portfolio management* service, including *Financial Instruments* whose value and/or return is linked to any *Benchmark* of which an *Intesa Sanpaolo Group* company is the *Administrator* or *Contributor* in the assets under management entails a conflict of interest since FAM UK could be incentivised to include in the portfolio such *Financial Instruments* on the basis of the *Group's* potential interest in connection with the knowledge of confidential information relating to the aforesaid *Benchmarks*, rather than in the best interests of the *Customer*.
- d) In the *Portfolio management* service, the fact of introducing in the assets under management some *Financial instruments* issued by companies in which the *Group Intesa Sanpaolo*:
 - holds a *Relevant Stake* in the capital of the *Issuer* or of the company controlling the *Issuer* or of the major shareholder of the *Issuer* or if the *Issuer* is a *Relevant Person* or a *Person closely associated to the Relevant Person*;
 - designates one or more members of the corporate bodies of the *Issuer* or of the company controlling the *Issuer* or of the major shareholder of the *Issuer*;
 - takes part in shareholders' agreements entered into between reference shareholders of the *Issuer* or of the parent company of the *Issuer* or of the major shareholder of the *Issuer*;
 - granted significant financing or is one of the main lenders of the *Issuer* or its *Group*;
 - acts as *Specialist*, *Corporate broker* or *Liquidity provider* in relation to certain *Financial instruments* of the *Issuer*;
 - has provided *Corporate finance services* to the *Issuer* or received a fee for such services in the last twelve months;
 - as part of its activity, has assumed a *Directional position* concerning the *Financial instruments* of the *Issuer* or of the belonging group of the *Issuer*. The existence of the conflict of interest is assessed with reference to the importance of the position undertaken;

- has share capital owned by the *Issuer*;
- is an *Issuer* of *Financial instruments* correlated to the *Financial instruments* of the *Issuer*, implies a conflict of interest because FAM UK could be encouraged to include the *Financial instruments* in the assets under management to preserve their relationship with the *Issuer* and/or promote the interests of the *Group* or the *Relevant Person* rather than in the best interests of the *Customer*.

Including in assets under management units or shares of *Collective Investment Undertakings* set up or managed by an SGR (or SICAF or SICAV) in which the *Intesa Sanpaolo Group* has a *Relevant Stake* is also a conflict of interest as, in selecting the investments, the *Company* might be induced to promote the *Group's* interests.

- e) Simultaneously providing *Portfolio management* services to a variety of *Customers* when FAM UK transfers *Financial Instruments* from one portfolio under management to another, including indirectly, i.e. carrying out the orders through a *Broker/Dealer*, entails a conflict of interest as the *Company* might be enticed into the aforesaid transfer to promote its relationship with one of its *Customers*.
- f) In the *Portfolio management* service, including in the assets under management *Financial instruments* on which the portfolio manager or other *Relevant Persons* involved into the management, hold a *Directional position* in their portfolio, or the transfer of *Financial instruments* from the portfolio manager's portfolio or from the other *Relevant Persons* portfolios to the *Customer's* portfolio implies a conflict of interest as the *Financial Instruments* might be chosen on the basis of the interest of the portfolio manager or of the other *Relevant Persons* rather than in the best interests of the *Customer*.
- g) In the *Portfolio management* service, including *Financial Instruments* in assets under management where such instruments are issued by companies in which the portfolio manager or other *Relevant Persons* involved in the management have a *Relevant Stake*, or the transfer of the aforesaid *Financial Instruments* from the portfolio manager's portfolio or from the portfolios of the other *Relevant Persons* involved in the management to assets under management entails a conflict of interest as the *Financial Instruments* might be chosen on the basis of the interest of the portfolio manager or the other *Relevant Persons* rather than in the best interests of the *Customer*.
- h) In the *Portfolio management* service, including in the assets under management *Financial Instruments* issued by companies in which the manager, another *Relevant Person* involved in the management or a *Person closely associated* to the manager or another *Relevant Person* involved in the management, holds a *Significant role* or the transfer of *Financial Instruments* from companies in which one of the aforesaid parties fulfils a *Significant role* entails a conflict of interest, since the choice of the *Financial Instruments* or of the counterparties could be made on the basis of the interest of the manager or of the other *Relevant Persons* rather than in the best interests of the *Customer*.
- i) The *Portfolio management* service entails a conflict of interest as the selection of the counterparties might be biased in favour of the *Company's* interest rather than in the best interests of the *Customer*. Situations entailing a conflict of interest when selecting contractual counterparties may arise, in particular, where:
 - advice is provided by a company of the *Group* or by companies with which FAM UK entertains business relationships (if the cost is borne by the assets under management);
 - asset management is entrusted to *MiFID-scope subsidiaries* or companies with which FAM UK entertains business relationships (if the cost is borne by the assets under management).
- j) Investment Advice In the *Portfolio management* service, the exercise on behalf of the *Customer* of the voting rights attached to the *Financial instruments* included in the asset under management implies a conflict of interest because FAM UK could be encouraged to exercise its rights of vote in the interest of the *Group* or of the *Relevant Persons* and not in the best interest of the *Customers*.
- k) In the *Portfolio management* service, FAM UK could find itself in conflict of interest in case of plurality of tasks in the *Group* companies by directors or managers involved in the management process,

because FAM UK or these actors could have a financial incentive, or of different nature, to privilege the interests of another company of the *Group* or of its *Customers*.

- l) In the *Portfolio management* service, the assumption by a director or an actor entitled with management delegations of FAM UK of a significant role inside the *Issuer* / Distributor of financial instruments, implies a conflict of interest because these actors could be encouraged to invest the assets of the *Customer* according to their own interests.
- m) In the *Portfolio Management* service, the selection of *Financial Instruments* or *Other Investments* to be included in the assets managed that:
- promote, among other characteristics, environmental or social characteristics, or a combination of such characteristics, provided that the undertakings in which the investments are made comply with good governance practices;
 - have sustainable investment objectives;

involves a conflict of interest as this choice could be made according to the interests of the Company, the manager or the other *Relevant Persons* involved in the management and not on the basis of the actual sustainability preferences of the Investors.

2.2 Investment Advice

- a) Providing *Investment Advice* on *Financial instruments* placed, distributed or sold by a *MiFID-scope subsidiary* of the *Group* (or by a *Relevant Person*) implies a conflict of interest because FAM UK could be encouraged to recommend these *Financial instruments* due to *Group* interest (or *Relevant Person's*) rather than in the best interest of the *Customer*.
- b) In the *Investment Advice* service, the inclusion into the managed asset of *Financial instruments* issued by companies in which the *Group Intesa Sanpaolo*:
- a. holds a *Relevant Stake* in the capital of the *Issuer* or of the company controlling the *Issuer* or of the major shareholder of the *Issuer* or if the *Issuer* is a *Relevant Person* or a *Person closely associated to the Relevant Person*;
 - b. designates one or more members of the corporate bodies of the *Issuer* or of the company controlling the *Issuer* or of the major shareholder of the *Issuer*;
 - c. takes part in shareholders' agreements entered into between reference shareholders of the *Issuer* or of the parent company of the *Issuer* or of the major shareholder of the *Issuer*;
 - d. granted significant financing or is one of the main lenders of the *Issuer* or its *Group*;
 - e. acts as *Specialist*, *Corporate broker* or *Liquidity provider* in relation to certain *Financial instruments* of the *Issuer*;
 - f. has provided *Corporate finance services* to the *Issuer* or received a fee for such services in the last twelve months;
 - g. as part of its activity, has assumed a *Directional position* concerning the *Financial instruments* of the *Issuer* or of the belonging group of the *Issuer*. The existence of the conflict of interest is assessed with reference to the importance of the position undertaken;
 - h. has share capital owned by the *Issuer*;
 - i. is an *Issuer* of *Financial instruments* correlated to the *Financial instruments* of the *Issuer*;
- implies a conflict of interest because FAM UK could be encouraged to recommend the *Financial instruments* to preserve their relationship with the *Issuer* and/or promote the interests of the *Group* or the *Relevant Person* rather than in the best interests of the *Customer*.

The recommendation of *Collective Investment Undertakings* set up or managed by an SGR (or SICAF or SICAV) in which the *Intesa Sanpaolo Group* has a *Relevant Stake* is also a conflict of interest as, in selecting the investments, the *Company* might be induced to promote the *Group's* interests.

- c) In the *Investment Advice* service, the recommendation of *Financial Instruments* whose value and/or return is linked to any *Benchmark* of which an *Intesa Sanpaolo Group* company is the *Administrator* or *Contributor* entails a conflict of interest since FAM UK could be incentivised to recommend such *Financial Instruments* on the basis of the *Group's* potential interest in connection with the knowledge of confidential information relating to the aforesaid *Benchmarks*, rather than in the best interests of the *Customer*.
- d) In the *Investment Advice* service, the recommendation of *Financial instruments* for which the portfolio manager or other *Relevant Persons* involved in the provision of the *Investment Advice* service hold a *Directional position* in one's portfolio, implies a conflict of interest because the choice of the *Financial instruments* could be influenced by the interests of the manager or of the other *Relevant Persons*.
- e) In the *Investment Advice* service, recommending *Financial Instruments* issued by companies in which the portfolio manager or other *Relevant Persons* involved in the advisory have a *Relevant Stake*, entails a conflict of interest as the *Financial Instruments* might be chosen on the basis of the interest of the portfolio manager or the other *Relevant Persons* rather than in the best interests of the *Customer*.
- f) In the *Investment Advice* service, recommending *Financial Instruments* issued by companies in which the manager, another *Relevant Person* involved in the advisory or a *Person closely associated* to the manager or another *Relevant Person* involved in the advisory, holds a *Significant role* entails a conflict of interest, since the choice of the *Financial Instruments* or of the counterparties could be made on the basis of the interest of the manager or of the other *Relevant Persons* rather than in the best interests of the *Customer*.
- g) In the *Investment Advice* service FAM UK could find itself in conflict of interest in case of plurality of tasks in the *Group* companies by directors or managers involved in the provision of the *Investment Advice* service, because FAM UK or these actors could have a financial incentive, or an incentive of different nature, to privilege the interests of another *Group* company or of its *Customers*.
- h) In the *Investment Advice* service, when a director, or by another entitled actor, with management delegations of FAM UK, takes on a significant role in the *Issuer / Distributor* of financial instruments, implies a conflict of interest because these actors could be encouraged to invest the assets of the *Customer* according to their own interests.
- i) In the *Investment Advice Service*, the recommendation of the *Financial Instruments* or *Other Investments* to be included in assets under management that:
 - promote, among other characteristics, environmental or social characteristics, or a combination of such characteristics, provided that the undertakings in which the investments are made comply with good governance practices;
 - have sustainable investment objectives;
 involves a conflict of interest as this choice could be made according to the interests of the Company, the manager or the other *Relevant Persons* involved in the management and not on the basis of the actual sustainability preferences of the *Customer*.

2.3 Other Conflict-of-Interest Situations

2.3.2 Gifts and other forms of benefits

The receipt and/or provision by the *Relevant Persons* of gifts or other forms of benefits of significant value entails a conflict of interest as it might influence the proper provision of the *Investment services* and *Ancillary services*.

FAM UK is committed to an ethical environment for all employees, executives and Board members. Provision or receipt of certain gifts and entertainment can be part of normal business relationships and can, in appropriate circumstances, create goodwill and enhance business relationships. However, it could also

give rise to actual or perceived conflicts of interest and could compromise its duty to act in the Customers' best interest. FAM UK issued a "Gift Policy" to provide rules to guide decisions related to gifts and entertainment.

3. GROUP PROCEDURES FOR THE MANAGEMENT OF CONFLICTS OF INTEREST

This Policy, apart from identifying the circumstances which result in or could result in a conflict of interest, outlines the policies to follow and the measures to be adopted to manage these conflicts of interest or identifies, inside the procedures already provided at *Group* level in application of other legal or regulatory provisions, those deemed appropriate also for the management of situations of conflict of interest identified in the first part of this document.

3.1 CHINESE WALL

At Group level, information Barriers (also called “Chinese Walls”) refer, at general level and with effect on all the *Group*, to the higher level functional and logistic segregation of the organisational structures, including the separation of the relevant personnel assigned to them, which provide *Corporate finance services and activities* to the *Customer* segments attributable to the Corporate side and those which provide *Investment services and activities* or some *Ancillary services* to investors or financial markets attributable to the Market side and *Research* in order to guarantee that:

- the Market side structures or the structures in charge of drafting the *Research* do not acquire *Inside information* or *Confidential Information* or other reserved information known by the Corporate side, so as to prevent the risk that the former, as part of their day-to-day market transactions or the processing of *Recommendations*, may operate by using such information;
- the Market side structures or the structures in charge of drafting the *Research* do not report, hierarchically, to the structures of the Corporate side nor, vice versa, can they get to know Corporate side transactions or activities; thus, they are able to operate in an independent manner, preventing, in this way, any phenomenon of market abuse or conflict-of-interest situations to the detriment of the *Customers*;
- the Corporate side structures do not - in any way - influence the Market Side structures or the *Research* in the performance of their activities (the same prohibition also applies to the Market Side structures);
- the Market side structures are separate from the structures in charge of drafting *Research* in order to prevent conflict-of-interest situations to the detriment of the *Customers*.

Considering that FAM UK is authorised to the provision of portfolio management services and Investment Advice (and therefore belongs to the so called Market side), *Group* controls, as per functional and logistic separation, assure that the *Relevant Persons* of FAM UK involved in the provision of the above said services cannot know any *Inside information* or operations known by Group companies carrying out activities belonging to the Corporate side of the Chinese Wall.

3.2 Group Rules for the Management of Inside or Confidential Information of Other Issuers

3.2.2 Watch List and Restricted List

The adoption at Group level of a mechanism to record (*Watch List*) and carry out a preliminary analysis of some categories of transactions referred to *Sensitive Issuers* (so called *Sensitive situations*) allows to detect ex ante the operating situations which may give rise to conflict-of-interest situations and to identify possible precautions or operating limits aimed at mitigating such conflicts of interest.

Such mechanism is present in the Ultimate Parent company and some *Group* companies and must be adopted also by the other *MiFID-scope subsidiaries*, if necessary, on the basis of the type and the variety

of activities carried out. It is based on reports to the competent *Appointed Unit* on the corporate/investment banking transactions and those relating to the management of *Stakes* in respect of which the *MiFID-scope subsidiaries* hold *Inside* or *Confidential information* related to *Other Issuers* or in any case information heralding potential conflicts of interest by some of the business structures on the Corporate side of the Information Barriers, and represents one of the most important databases for the configuration of the recording of conflicts of interest. More specifically, the *Watch List* is used to identify the following types of conflicts:

- conflicts vis-à-vis *Customers*: these are conflicts of interest which may arise in the provision of *Corporate finance services and activities* to the *Customer* companies due to the presence of other interests held by one of the *MiFID-scope subsidiaries*;
- conflicts among *Customers*: these are conflicts of interest that may arise from the simultaneous acceptance of several conflicting mandates and/or roles in providing *Corporate finance services and activities* to *Customer* companies;
- holding *Inside* or *Confidential Information* and *Material Non-Public Information* ("MNPI"): these are cases of asymmetrical information which may arise if the *Group* becomes aware of *Inside* or *Confidential Information* in providing *investment services and activities* as well as *Corporate finance services and activities* concerning *Sensitive Issuers*.

3.2.3 Insider List and Limited Information List

Pursuant to the provisions of Article 18 of the *MAR*, as well as the company rules governing the matter – consisting of the "Group Rules for the Management of Inside and Confidential Information from Other Issuers" – the *Group Companies* that access *Inside information* draw up and update an *Insider List* when operating in the name or on behalf of the *Customers* of the *Group* which are:

- *Issuers of Financial Instruments* admitted to trading on a *Regulated market* or in respect of which a request was filed for admission to trading on a *Regulated market* in a Member State of the *European Union*;
- *Issuers of Financial Instruments* traded on an *MTF*, admitted for trading on an *MTF* or in respect of which a request was filed for admission to trading on an *MTF* in a Member State of the *European Union*;
- *Issuers of Financial Instruments* traded on an *OTF* in a Member State of the *European Union*;
- *Issuers of Financial Instruments* not included in the preceding points whose price or value depends on a *Financial Instrument* referred to in the preceding points, or has an effect on this price or value, including, but not exclusively, credit default swaps and contracts for difference.

The same obligations also apply to companies of the *Group* which operate *In the name or on behalf of*: i) participants in the emission allowance market ¹and ii) auction platforms for emission allowances (as provided by Art. 18, paragraph 8 *MAR*).

In order to address the need to univocally account for *Sensitive situations* that may constitute or give rise to the access, or even merely potential access, to *Inside Information* or *Confidential Information*, including when concerning cases that are different from those included in Article 18 of the *MAR*, the *Group's regulations* mentioned above provide for the creation of a *Limited Information List*. The *Limited Information List* is established and updated on the basis of reports from the *Watch List* in all cases in which it is established that a *Group* company has access to:

- *Confidential Information* relating to *Other Issuers*²;
- *Inside Information* relating to *Other Issuers*, so far as the *Group* company does not operate *In their name or on behalf of them*.

¹ Emission allowances means the emission allowances of greenhouse gasses according to Directive 2003/87/EC.

² Where an *Intesa Sanpaolo Group* company operates in the U.S., the *Confidential Information* include the *MNPI*, i.e. the *Material Non-Public Information*.

The aforementioned lists are subdivided into sections relating to specific transactions, information or events in which, as the occasion arises, registration is made of the company representatives, employees or persons outside the Company and/or the *Group* who have access to *Inside Information* or *Confidential Information* on *Other Issuers*.

Considering that FAM UK is authorised to the provision of portfolio management services and Investment Advice (and therefore belongs to the so-called Market side), *Group* controls, as per functional and logistic separation, assure that the *Relevant Persons* of FAM UK involved in the provision of the above said services cannot know any *Inside information* or operations known by *Group* companies carrying out activities belonging to the Corporate side of the Chinese Wall.

3.3 Code Of Ethics, Internal Code Of Conduct and Group Anti-Corruption Guidelines

In relation to the conflicts of interest associated with *Relevant Persons*, the *Group* has adopted internal Codes and Guidelines which, inter alia, provide for:

- rules on gifts, freebies and hospitality offered to executives and employees;
- rules of conduct applicable to relationships with *Customers*.

The aforementioned documents represent the measures adopted to manage the conflicts of interest which may arise as a result of the personal interests of the *Relevant Persons* or of some of them where expressly stated.

Moreover, under certain circumstances, the *Group* adopts procedures for recording the *Persons related to a Relevant Person* in order to monitor potential conflict-of-interest situations highlighted in the first part of this document.

The *Group* does not tolerate the use of free gifts and entertainment expenses in order to influence the independence of judgment of the recipient or in any way induce them to confer favours and, therefore, it is forbidden:

- to distribute gifts, promise or grant benefits of any nature that may be interpreted as going beyond normal commercial and/or institutional courtesy, i.e., as a means used to obtain favours in the exercise of any function and/or in the course of any activity related to the *Group*;
- to accept, for oneself or others, gifts in excess of a moderate value or any other benefit that may go beyond normal commercial and/or institutional courtesy or be aimed at impairing independence of judgment and proper business conduct.

Pursuant to the “Rules for management of gifts and entertainment expenses”, acts of commercial and/or institutional courtesy of modest value are to be considered gifts or any other benefits (e.g. invitations to sporting events, shows and entertainment, free tickets, etc.), coming from or destined to the same person/institution, that do not exceed the value of €150 in a calendar year.

Any gifts or other benefits exceeding a value of €150 are admitted on an exceptional basis considering the profile of the donor and/or recipient and, at any rate, within reasonable limits, upon prior authorisation by a supervisor holding a position of at least Head of Department or of an equivalent company organisational unit.

The set annual value limits for gifts and other benefits do not apply to entertainment expenses do not apply to events and forms of reception and hospitality (included lunches, dinners, parties) involving the participation of company officials and *Group* personnel provided that these are strictly related to business

or institutional relations and are reasonable considering the commonly accepted practices of commercial and/or institutional courtesy.

In relation to the above, FAM UK has adopted a more restrictive approach than the above-mentioned Group policy, prohibiting the acceptance of any gifts or other benefits above £ 130 cumulative from a counterparty per year.

3.4 Guidelines for the Approval of New Products, Services and Activities aimed at Specific Target Customers

“Guidelines for the approval of new products, services and activities aimed at specific target customers” have been adopted at Group level to govern the approval processes for new products, services and activities in order to coordinate – in a single document – the product oversight governance processes (hereinafter “Product Governance”) for products intended for specific target *Customers*. The regulatory framework set up throughout the Group allow the interests of *Customers* to be taken into account throughout the entire life of these products, from the conception phase to the after-sales phase.

In summary, the evaluation process of a new product³ consists of the following steps:

- i. product concept;
- ii. feasibility analysis;
- iii. clearing;
- iv. product approval;
- v. post-sales monitoring.

These process steps are articulated according to the specific types of product (i.e. financial, banking and insurance-based products) and to the role carried out (i.e. manufacturer or distributor). Lastly, the process is managed through cross-functional tables that see the joint participation of the business and control functions, as well as of any functions or structures identified on the basis of the characteristics of the product, service or activity under analysis.

The Guidelines and the implementing Regulations identify the responsibility of the structures involved, tracking the approval process and defining information flows to the Corporate Bodies.

3.5 Guidelines for the Governance of the Group’s Most Significant Transactions

The *Intesa Sanpaolo Group* attaches the utmost importance to correctly assessing risks and establishing an adequate system of oversight and controls to mitigate them, to ensure there is an acceptable residual risk level in line with the decisions taken when defining the Risk Appetite Framework (“RAF”)⁴.

In this context, the *Group* has defined specific Guidelines to regulate an adequate control system for the evaluation of the Most Significant Transactions⁵, for which is provided, in addition to ordinary clearing processes, a prior assessment by the Risk Management function, with the support of the Compliance function, within the scope of the latter’s competencies, to ensure that all risk profiles are covered.

³ In this paragraph, “product” means “products, services and activities” aimed at specific target *Customers*.

⁴ In compliance with the Bank of Italy Circular No. 263 of December 27th 2006 – Update No. 15 of July 2nd 2013, a bank’s Risk Appetite Framework is the overall framework that defines - consistently with the maximum risk that can be assumed, the business model and the strategic plan - the risk appetite, tolerance thresholds, risk limits, risk management policies and the relevant processes necessary to define and implement them.

⁵ Major Significant Transactions are defined as transactions of particular relevance, whether proprietary or with individual *Customers* or counterparties, which may potentially have a significant impact on the overall risk profile and/or the specific risks of the Group as defined in the Risk Appetite Framework.

The outcome of this risk assessment is summarised by the Chief Risk Officer Area within the context of a prior opinion to Corporate Bodies on the consistency of the transactions under review with the RAF, with account taken of any compliance profiles, including the conflict-of-interest ones.

3.6 The Remuneration Discipline

The remuneration and incentive systems of financial and insurance intermediaries are a means of ensuring sound, prudent company management in line with the interests of all stakeholders, according to criteria of equity, sustainability and competitiveness, in view of increasing – among others – the degree of transparency towards the market and effectively managing conflicts of interest in the overall activities carried out by intermediaries.

In this regard, the *Intesa Sanpaolo Group* has implemented the Remuneration and Incentive Policies, approved by the Shareholders' Meeting, the Rules for identifying staff that have a material impact on the risk profile of the Group included in the Remuneration and Incentive Policies and the Technical Rules concerning these governance documents.

Within the framework of the principles underlying the Remuneration Policies of *Intesa Sanpaolo Group*, the following principles are pointed out:

- the alignment of management and employee behaviour to the interests of shareholders, medium and long-term strategies and corporate objectives, within a framework of rules aimed at controlling risks and complying with laws and regulations;
- the recognition of awards on the basis of merit, linked to the results achieved and the risks assumed; the fairness and gender neutrality, with remuneration linked to the level of responsibility measured through the Banding system⁶ and professional seniority, and attention to the gender pay-gap;
- the corporate sustainability, ensuring that the obligations deriving from the policy are contained within values compatible with medium and long term strategies and with annual objectives.

In order to ensure risk management and correct behavior, including the management of conflicts of interest, under incentive systems:

- quantitative (e.g. sales volumes, revenues) and qualitative, financial and non-financial targets are used, which also consider behavior and compliance requirements;
- targets are assessed over time horizons of at least one year, to ensure their sustainability and avoid possible distorting effects;
- targets are risk-adjusted to reward good behavior and avoid inducements for excessive risk-taking;
- procedures for the deferred payment of part of the bonuses and their payment in shares of the Bank (or instruments linked to them) are contemplated, so as to comprise the future effects of the behavior and risks assumed, and to reduce or cancel the deferred portions if incorrect behavior or negative consequences for the Bank emerge over time.

As far as commercial networks are concerned:

- KPIs of customer satisfaction and fairness in the relationship with the *Customer* are provided for;
- objectives on which variable remuneration depends are not linked to a specific product's distribution;
- for the purposes of achieving the objectives, only transactions in line with the needs expressed by *Customers* and adequacy checks are considered.

3.7 Rules on Personal Transactions

⁶ The Global Banding System adopted by the *Intesa Sanpaolo Group* is based on the clustering into homogeneous groups of managerial positions that can be assimilated by levels of complexity / responsibility managed, measured using the international methodology for evaluating International Position Evaluation (IPE) roles.

In relation to the conflicts of interest associated with *Relevant Persons*, the “Group Rules on personal transactions” have been adopted, which for *MiFID-scope subsidiaries* govern the investments in *Financial Instruments* made at personal level (i.e. outside the activity carried out on the behalf of the Companies of the *Group*) by the *Relevant Persons*.

According to the “Group Rules on personal transactions”, all the *Relevant Persons* may not:

- perform personal transactions:
 - using *Inside Information* or *Confidential Information*⁷ of which they are aware;
 - that are or might be in conflict with the interest of *Customers* or potential *Customers* or that are in contrast with the duties and obligations of intermediaries according to the provisions that govern the supply of financial services;
 - if they are aware of the likely terms or content of a *Recommendation* before it becomes accessible to *Customers* or the public;
- advise third parties to perform such operations;
- communicate to other people, outside the normal framework of their working activity, information or options regarding *Inside Information* or *Confidential Information*.

Additional limitations apply to the *Relevant Persons*:

- involved in more sensitive activities (e.g. corporate finance or extraordinary services; evaluation or granting of loans to business or corporate *Customers*, financial institutions, supranational institutions, states, central and local government agencies, businesses and companies in which the state has equity Interest; management of relations with the business and corporate *Customers*, financial institutions, supranational institutions, states, central and local government agencies, businesses and companies in which the state has equity Interest; management of the Intesa Sanpaolo and *Group* Shareholdings; treasury activities, proprietary trading, trading services - on behalf of themselves and of third parties - and stock loans, asset management, production and production support of *Recommendations on investments or Other information that recommends or advises on investment strategies*; activities as *Administrator* or *Contributor* of a *Benchmark*);
- interests in registrations on the *Insider Lists* or in *Limited Information Lists*;
- belonging to organisational units that are subject to operating restrictions included in the *Restricted List*;
- holding top management positions, such as persons directly reporting to the Managing Director and CEO of Intesa Sanpaolo, including the Heads of the Private Banking, Insurance and Asset Management Divisions, as well as their Deputies, if any, the Group Chief Audit Officer and the Manager responsible for preparing the company's financial reports.

The “Group Rules on personal transactions” apply to both the personal transactions performed at the Italian banks of the *Group* and those performed at other intermediaries and are subject to specific obligations regarding notification, registration and monitoring of the transactions.

The provisions of the “Group Rules on personal transactions” complement those already contained in the “Code of Conduct of the Group” and apply without prejudice to the provisions on market abuse and internal dealing.

3.8 GROUP RULES ON BENCHMARK

Pursuant to the applicable legislation on the matter (Regulation (EU) No. 1011/2016), *Intesa Sanpaolo Group* has envisaged the adoption of organisational measures aimed at ensuring, among other things, the

⁷ The definition of *Confidential Information* includes the relevant non-public information received by the employee during a public offering of shares and/or bonds in U.S.

correct management of conflicts of interest for activities related to the management of *Benchmarks* including contribution, and/or their use.

The regulation provides, *inter alia*:

- the adoption of segregation measures between the organisational units belonging to *Group* companies involved in the performance of activities related to the role of *Administrator*, *Contributor* or *User* of a *Benchmark* and *Dealing on own account* and market making on *Financial Instruments* or financial contracts whose value and/or yield is linked to *Benchmark* and the implementation of restrictions on the circulation of information between the aforementioned organisational units. In particular:
 - to personnel belonging to a *Group* company involved in the performance of activities connected to the role of *Administrator*, it is generally forbidden to contribute to the determination of the same *Benchmark* through offers for purchase or sale and transactions;
 - the organisational units of *Group* companies that perform the role of a *Administrator* or a *Contributor* of a *Benchmark* must be segregated both from those engaged in *Trading on own account* and market making on *Financial Instruments* or financial contracts whose value and/or yield is connected to the same *Benchmark Indices* and to those that play the role of *Users* of the same *Benchmark Index*;
- the formalisation of specific business processes that define the organisational structures involved, the information flows put in place, the objective criteria for determining the parameters to be contributed and for calculating the *Benchmark Indices*;
- specific controls on the process for determining the *Benchmark Indices* and the contribution of the related parameters;
- the publication (including through a website) and/or the communication to the *Users of Benchmark Indices*, to the relevant competent authority and to *Contributors*, of all actual or potential conflicts of interest, and those deriving from ownership and control of the *Administrator*;
- by every subject belonging to a *Group* company involved in the activities related to the role of *Administrator*, *Contributor* or *User* of a *Benchmark*, the respect of principles aimed at ensuring i) the utmost integrity, transparency and independence in the performance of the assigned duties, ii) objectivity, diligence and professionalism appropriate to the assignment as well as iii) adequate confidentiality in the processing of the information acquired as a result of the assignment performed;
- the adoption of remuneration policies aimed at avoiding situations of potential conflict of interest.

4. FAM UK PROCEDURES FOR THE MANAGEMENT OF CONFLICTS OF INTEREST

FAM UK, further to the implementation at *Group* level of procedures and measures identified by the Ultimate Parent Company Intesa Sanpaolo and by the Parent Company to manage the situations of conflict that are potentially able to damage the interests of one or more *Customers* of the *Group*, also defined additional tailored procedures to be followed for the management of these conflicts of interest identified in the first part of this Policy.

4.1 INVESTMENT PROCESS

4.1.1 Plurality of tasks

FAM UK adopted an organisational model and a structure of tasks and powers aiming at protecting the decision-taking autonomy of FAM UK concerning the choices made about asset management services provision.

In particular, at present, in the organisational model the actors entitled with management delegations in FAM UK cannot simultaneously be entitled with operational delegations in other companies of the *Group* carrying out in favour of assets under management the activities of trading, *Distribution*, order receipt and transmission of orders, or ancillary services.

4.1.2 Financial instruments selection

FAM UK adopted an investment process governing the activities, roles and responsibilities in the provision of *Portfolio management and Investment Advice* services. This process is formalised in the appropriate procedures, which represent the reference point for a global analysis and understanding of management activities structure and implementation.

4.1.3 Investments in Financial Instruments issued or placed by Group's Companies

FAM UK issued specific rules in reference to investments in financial instruments issued or placed by the Group's companies (please refer to Annex II "Guidelines for managing conflicts of interests") applicable to the Sub-Funds managed directly by FAM UK.

4.1.4 Sustainable and Responsible Investment Policy

As a participant in the financial markets, the company has a fiduciary commitment to its Customers and Investors and, more generally, to stakeholders that requires to effectively address issues related to sustainability, with particular reference to the returns of its financial products and the issuers in which it invests on behalf of the assets managed.

Pursuant to sustainability legislation in the financial services sector ("Sustainable Finance Disclosure Regulation") and the related implementation discipline, the company has therefore adopted its own Sustainability Policy which describes the methodologies aimed at integrating the analysis of sustainability risks into the investment process relating to the collective asset management, portfolio management services and recommendations carried out as part of the investment Investment Advice service.

These methodologies provide for the application of specific selection and monitoring processes for the fine instruments, appropriately graduated according to the characteristics and objectives of the individual products managed, which take into account environmental, social and corporate governance factors (so-called "Environmental, Social and Governance factors" - ESG) and principles of Sustainable and Responsible Investment (cd. "Sustainable and Responsible Investments" - SRI).

The selection and monitoring criteria of issuers based on ESG and SRI profiles integrate the traditional financial analyses of the risk/return profiles of issuers that the company takes into account in the formation of its investment choices, in order to (i) avoid environmental, social and corporate governance conditions may have a significant actual or potential negative impact on the value of investments of assets under management and (ii) capture issuers' abilities to take advantage of sustainable growth opportunities.

4.2 SELECTION OF CONTRACTUAL COUNTERPARTS

As defined in the structure of tasks and powers adopted by FAM UK, the agreements having significant influence on assets under management shall be previously submitted to the opinion of the Board of Directors who express their opinion on the adequacy of their content and on the consistency of these agreements with the interest of the Customers.

In case the counterparties fall into the scope of the related parties, their approval follows strict authorisation steps as defined in detail in the Group's guidelines for Related Parties transactions.

4.3 GIFT POLICY

FAM UK adopted a "Gift policy" to manage the acceptance of gifts or other forms of benefit .

The Policy describes the criteria to use to certify the legitimacy of gifts received / given by FAM UK, as well as the control procedures undertaken.

4.4 PERSONAL TRANSACTION POLICY

FAM UK adopted a Personal Transaction Policy in order to regulate transactions on financial instruments carried out by or on behalf of Relevant Subjects, on a personal level or, in any case, outside the scope of the activities that the Relevant Subjects undertake on behalf of the Company, assuming that these Subjects:

- are involved in activities that could give rise to conflicts of interest, or
- have access to Inside Information or to other Confidential Information concerning Customers or transactions with or on behalf of Customers within the context of the activity performed on behalf of the Company.

4.5 PRODUCT DEVELOPMENT PROCESS

FAM UK adopted a product development process governing activities, roles and responsibilities in the launch of new products and in the management of existing products. This process represents the reference point for a global analysis and understanding of management activities structure and implementation.

4.6 OUTSOURCING POLICY

FAM UK has issued an Outsourcing Policy to ensure that the decision of outsourcing a service and the subsequent process of implementing the outsourcing decision is managed in accordance with the applicable Laws and Regulations, and adheres to the best practice in the industry.

4.7 TRAINING

FAM UK is committed to provide training to employees on a regular basis, in order to make clear to staff that the Customers' interests are paramount, to train employees on their obligations around conflicts of interest and to remind them of how conflicts of interest may exist, in order to enable conflicts of interest identification from the ground up.

FAM UK believes that a strong firm culture is fundamental to achieve a high level of conflict of interest's aware environment.

4.8 ANTI-CORRUPTION & BRIBERY POLICY

FAM UK has issued an Anti-Corruption & Bribery Policy setting out the rules and principles aimed at ensuring all business is conducted in an honest and ethical manner. The policy sets out the responsibilities of FAM UK and its agent in upholding our position on corruption and bribery and gives guidance on how to recognise and deal with situations where bribery arises.

5. REPORTING ON CONFLICTS OF INTEREST AND RELEVANT REGISTER

5.1 REPORTING ON CONFLICTS OF INTEREST

Where the organisational or administrative arrangements made by FAM UK for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Customers will be prevented, the senior management will be promptly informed in order for them to take any necessary decision to ensure that in any case FAM UK acts in the best interests of the Customers.

FAM UK shall report any situations referred above to the Customers by durable medium giving reasons for the decision.

5.2 REGISTER OF THE CONFLICTS OF INTEREST

FAM UK's Compliance Desk manages and regularly updates a register of the types of activities undertaken in which a conflict of interest entailing a material risk of damage to the interests of one or more Customers may arise.

6. ANNEX I: GLOSSARY

Administrator (of a Benchmark)

A natural or legal person who has control over the provision of a *Benchmark*.

Ancillary services

These refer to the following:

- a) the custody and administration of *Financial Instruments* on behalf of the *Customer*, including the custody and related services such as the management of cash/real guarantees and excluding the management function of securities at the highest level;
- b) the granting of credit or loans to *Investors* to allow them to carry out a transaction in one or more *Financial Instruments* involving the undertaking granting the credit or loan
- c) Advice to undertakings on capital structure, industrial strategy and related matters, as well as advice and services relating to mergers and the purchase of undertakings;
- d) the service of foreign exchange trading, where connected with the provision of *Investment Services*;
- e) Investment research, financial analysis or other forms of general *Recommendation* relating to transactions in *Financial Instruments*;
- f) Services related to underwriting;
- g) *Investment Services* and activities, as well as previously mentioned *Ancillary Services* linked to derivative instruments⁸ if linked to the provision of *Investment or Ancillary Services*.

Benchmark

This refers to any index by reference to which the amount payable under a *Financial Instrument* or a financial contract, or the value of a *Financial Instrument*, is determined, or an index that is used to measure the performance of an investment fund with the purpose of tracking the return of such index or of defining the asset allocation of a portfolio or of computing the performance fees.

Broker/Dealer

This refers to the authorised intermediary who carries out *Dealing on own account* or executes orders on behalf of *Customers*.

Collective investment undertakings

These refer to mutual investment funds, SICAVs and SICAFs..

Complex Financial Products

For the purposes of Article 25, paragraph 4, letter a), points ii), iii) and v) of *MiFID II* and consistently with the indications provided by ESMA within the ESMA guidelines contained in the Opinion of 7 February 2014 and 27 March 2014 called “MiFID practices for firms selling complex products” and “Structured retail products – Good practices for product governance arrangements” from the “Guidelines on complex debt instruments and structured deposits” issued by ESMA on 4 February 2016, the following *Financial Products* are considered to be complex:

- debt instruments that incorporate a derivative (including, for example, convertible and exchangeable bonds, indexed bonds and turbo certificates, potential convertible bonds, debenture obligations or options with a sell option, credit-linked notes and warrants);
- debt instruments that incorporate a structure that makes it difficult for the *Customer* to understand the risk, including:
 - (a) debt instruments whose return depends on the result of a defined asset aggregate (including, for example, RMBS, CMBS, CDO);
 - (b) debt instruments whose return is subject to repayment of the debt securities held by others (including, for example, subordinated debt instruments);
 - (c) debt instruments in relation to which the Issuer has the discretionary power to change the cash flows of the instrument;
 - (d) debt instruments without a specified repayment date or maturity (including, for example, perpetual bonds);
 - (e) debt instruments with an unusual or unknown underlying (including, for example, debt instruments that refer to the underlying as non-public benchmarks, composite indices, niche markets, highly technical measures (including price volatility and combinations of variables);
 - (f) debt instruments characterised by complex mechanisms for establishing or calculating the yield;
 - (g) debt instruments structured in such a way that it is not possible to anticipate the entirety of the repayment of the principal amount (including, for example, debt instruments eligible for the *bail-in* tool);

⁸In relation to this ancillary service, “derivative instruments” means the instruments referred to in the definition of *Financial Instruments*, points 5), 6), 7) and 10).

- (h) debt instruments issued by a vehicle company (SPV) in circumstances where the name of the debt instrument or the company name of the vehicle company may mislead *Investors* about the identity of the Issuer or guarantor;
- (i) debt instruments with complex guarantee mechanisms (including, for example, debt instruments with a guarantee mechanism where the factor that triggers the activation of the guarantee depends on one or more conditions that are added to the fulfilment of the Issuer);
- (j) debt instruments with leverage characteristics;
- structured deposits that incorporate a structure that makes it difficult for the *Customer* to understand the risk of return (including, for example, structured deposits where more than one variable affects the return obtained, structured deposits where the relationship between the return and the relevant variable or the mechanism for determining or calculating the yield is complex, structured deposits where the variable involved in the calculation of the yield is unusual or unknown for the average retail *Investor*, structured deposits where the contract gives credit institutions the unilateral right to terminate the contract before of the expiry); and
- structured deposits that incorporate a structure that makes it difficult for the *Customer* to understand the cost associated with exit before maturity (including, for example, structured deposits where an exit fee is not a fixed sum, structured deposits where an exit fee it is not a fixed sum for each month remaining until the agreed deadline, structured deposits where an exit fee is not a percentage of the amount initially invested).

Confidential information

This refers to any confidential information relating to both the business of a company, whether having listed or unlisted *Financial Instruments*, which represents a *Sensitive Issuer*, and concerning facts or circumstances which are not publicly available, and particularly relevant from the organisational, economic, financial and strategic point of view, or relevant for the performance of the company, as well as the *Financial Instruments* issued by the *Sensitive Issuer*. *Confidential Information* on the *Financial Instruments* and related *Issuers* is classified into two categories, in accordance with the provisions actually applicable to them:

- confidential information related to *Issuers* falling within the scope of Community regulations governing market abuse that – even though not having all the characteristics, in terms of precision and/or price sensitivity to be defined as *Inside information* pursuant to art. 7 of the *MAR* and *UK MAR* – is relevant as it may in any case give rise to conflict-of-interest situations;
- confidential information that – even though having all the characteristics of precision and/or price sensitivity to be considered as *Inside Information* under art. 7 of the *MAR* and *UK MAR* – cannot be considered to be *Inside information* as it concerns *Issuers* that do not fall within the scope of application of the Community provisions on market abuse, but for which the consequences in terms of sanctions in case of unlawful use could be comparable to what is set out under the *MAR* and *UK MAR* and the *Consolidated Law on Finance* with respect to market abuse⁹ or those referring to the *Issuers* who – even though not even having the characteristics of precision and/or price sensitivity – could give rise to a conflict-of-interest situation.

Consolidated Banking Act or TUB

Refers to Italian Legislative Decree no. 385 of 1 September 1993 “Consolidated Banking Act” as amended.

Consolidated Finance Act or TUF

Refers to Italian Legislative Decree no. 58 of 24 February 1998: “Consolidated text of the provisions on financial intermediation pursuant to Articles 8 and 21 of Italian Law no. 52 of 6 February 1996” as amended.

Contributing input data

This refers to providing any *input data* not readily available to an administrator, or to another person for the purposes of passing to an *Administrator*, that is required in connection with the determination of a *Benchmark* and is provided for that purpose.

Contributor (to a Benchmark)

The natural or legal person *contributing input data*.

Corporate officers

These are members of the Executive Committee or the Managing Director and CEO or the Chairman with operating powers.

Creditor (“Lender”)

A person or entity that lends funds to an enterprise or individual for a specific period of time as long as the debtor undertakes to repay the loan. The terms of the loan are represented in a contract signed by the parties.

⁹ For example, the information regarding issuers listed in countries in the *European Union*: it is understood that the abuse of information regarding this type of issuers, in addition to pertaining to the cases of conflict of interest, could be punished by the regulations of the country where the relevant issuers are listed (e.g. United States, Canada, Australia, Japan), with afflictive legislation that is comparable to the one applied in Italy to the abuse of *Inside information*.

Customer (or Customers)

The *Customer* is a *Person* to whom the company provides *Investment services and activities* and/or *Ancillary services*.

Input Data (relating to a Benchmark)

This refers to the data in respect of the value of one or more underlying assets, or prices, including estimated prices, quotes, committed quotes or other values, used by an *Administrator* to determine a *Benchmark*.

Dealing on own account

This refers to the activity involving the buying and selling of *Financial Instruments*, on own account and in relation to *Customers'* orders, as well as the activity of *Market Maker*.

Directional Position

This refers to the holding of a *Financial Instrument* or a combination of *Financial Instruments* the total value of which changes in line with the market value of the *Financial Instrument* held or, in the case of combinations, which include also derivative *Financial Instruments*, of the underlying *Financial Instrument*.

The *Directional Position* is deemed to be long if its value increases as that of the *Financial Instrument* held or that of the underlying *Financial Instrument* increases, in the case of combinations which include derivative *Financial Instruments*, and vice versa.

The *Directional Position* is deemed to be short if its value decreases as that of the *Financial Instrument* held or of the underlying *Financial Instrument* increases, in the case of combinations which include derivative *Financial Instruments*, and vice versa.

To calculate the *Directional Position*, please refer to the rules set out by (EU) Regulation no. 236/2012 and (EU) Delegated Regulation no. 918/2012 of the Commission of 5 July 2012, supplementing (EU) Regulation no. 236/2012 of the European Parliament and the Council, relating to short-selling and certain aspects of derivative contracts relating to hedging against the risk of default by the *Issuer* (credit default swap), as regards the definitions, calculation of net short positions, hedged positions in credit default swaps on sovereign issuers, notification thresholds, liquidity thresholds for the suspension of restrictions, significant decreases in the value of *Financial Instruments* and adverse events.

Delegated Regulation on Recommendations

This refers to (EU) Regulation no. 2016/958 of the European Commission of 9 March 2016 supplementing (EU) Regulation no. 596/2014 of the European Parliament and of the Council concerning the technical regulatory standards on the technical provisions for the correct presentation of investment *Recommendations* or *Other information recommending or advising an investment strategy* and for the disclosure of particular interests or reporting conflicts of interest.

Distributor

This refers to a firm that offers and/or sells *Financial products* of a manufacturer that is a firm that manufactures an investment product, including the creation, development, issuance or design of that product; *Distributor* can be identified as a *Group company* or a third party.

Durable medium

This refers to any instrument which

- a) enables the *Customer* to store information addressed personally to him/her in a way accessible for future reference for an adequate period of time and
- b) which allows the unchanged reproduction of the information stored.

Eligible Counterparty

This refers to the *Customer* that possesses the requisites prescribed by Article 6, paragraph 2-*quater*, letter d) of the *Consolidated Finance Act*.

European Union

A supranational organisation borne following the Maastricht Treaty of 7 February 1992, which currently comprises 27 States: Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Czech Republic, Romania, Slovakia, Slovenia, Spain, Sweden, Hungary.

Execution venue

This refers to a *Regulated market*, *Multilateral Trading Facilities (MTF)*, *Organised Trading Facilities (OTF)*, a *Systematic Internaliser*, a *Market Maker* or else a *Dealer on own account*, as well as an equivalent execution venue of a non-EU country.

Financial Instruments

They are intended as:

- 1) transferable securities, or categories of securities which may be traded on the capital markets, such as for example:
 - a. company shares and other securities similar to shares of companies, partnerships or other subjects and deposit certificates;
 - b. bonds and other debt securities, including the relevant deposit certificates;
 - c. any other normally traded security which allows to purchase or sell the securities indicated in the points above;
 - d. any other security which requires settlement in cash calculated by reference to the securities indicated in the points above, currencies, interest rates, yields, commodities, indices or measures;
- 2) money market instruments, or categories of securities which are normally traded on the money market, such as for example:
 - a. Treasury bonds;
 - b. deposit certificates;
 - c. commercial bills;
- 3) units of a Collective Investment Undertaking;
- 4) option contracts, futures, swaps, forward rate agreements and other derivative contracts related to securities, currencies, interest rates or yields, or to other derivative instruments, financial indices or financial measures which can be settled by physical delivery of the underlying or by paying the spread in cash;
- 5) option contracts, futures, swaps, forward rate agreements and other derivative contracts related to commodities which are settled by paying the spread in cash or may be settled in cash at the option of one of the parties, excluding those cases where such option is the result of a breach or other event which causes the termination of the contract;
- 6) option contracts, futures, swaps and other derivatives on commodities, which can be settled by delivering the underlying asset and which are traded on a *Regulated market* and/or through *Multilateral Trading Facilities*;
- 7) option contracts, futures, swaps, forward contracts and other derivatives on commodities which can be settled by delivering the underlying asset, other than those listed in point 6 which have no commercial purpose, and which have the same characteristics of other derivative *Financial Instruments*, considering *inter alia*, if they are offset and executed through recognised clearing houses or if they are subject to regular margin calls;
- 8) derivative instruments for transferring credit risk;
- 9) financial contracts for differences ("CFDs");
- 10) option contracts, futures, swaps, forward rate agreements and other derivative contracts related to weather variables, transport tariffs, issue quotas, inflation rates or other official economic statistics which are settled by paying the spreads in cash or may be settled in cash at the option of one of the parties, excluding those cases where such right derives from a breach or other event that causes the termination of the contract, as well as other derivative contracts related to assets, rights, obligations, indices and measures, other than those indicated in the paragraphs above, having the same characteristics as other derivative *Financial Instruments*, considering *inter alia*, if they are traded on a *Regulated Market* or on *Multilateral Trading Facilities*, if they are offset and executed through recognised clearing houses or if they are subject to regular margin calls;
- 11) emission allowances consisting of any unit recognised for compliance with the requirements of Directive 2003/87/EC (emission trading scheme).

1)

Financial Instruments listed or pending listing in the European Union and/or the United Kingdom

They refer to the *Financial Instruments* of *Issuers* who have requested or authorised the admission of their *Financial Instruments* for trading on a *Regulated Market* in a member state of the *European Union* and/or in the United Kingdom, or in the case of an instrument traded only on an *MTF* or an *OTF*, have authorised the trading of their *Financial Instruments* on an *MTF* or an *OTF* or have requested the admission of their *Financial Instruments* to trading on an *MTF* in a member state of the *European Union* and/or in the United Kingdom.

Financial products

These refer to *Financial Instruments* and any other form of financial investment; bank or postal deposits not represented by *Financial Instruments* do not constitute *Financial Products*, except for structured deposits that fall within the definition of *Complex Financial Products*.

Related Financial Instrument

This refers to one of the *Financial Instruments* specified below, including *Financial Instruments* that are not admitted to trading or traded in a trading venue, or for which admission has not been requested for trading on a trading venue:

- i) contracts or right to subscribe to, acquire or sell securities;
- ii) derivative *Financial Instruments* on securities;

- iii) if the securities are convertible or exchangeable debt instruments, the securities that the debt instruments can be converted into or exchanged with;
- iv) instruments issued or guaranteed by the issuer or the guarantor of the securities, whose market price can significantly influence the price of the securities or vice versa;
- v) when the securities are securities equivalent to shares, the shares represented by such securities as well as all other securities equivalent to said shares.

Grey Market

This refers to the market phase which runs from the date an issue is launched on the main telematic circuits (Bloomberg, Reuters, etc.) to the phase of the first settlement (also known as 'closing') when the securities are delivered by the *Issuer* in exchange for the payment of the issue price by the parties taking part in the placement consortium.

Inside information

The following is intended:

- a) any information of a precise nature which has not been made public, relating, directly or indirectly, to one or more *Issuers of Financial Instruments listed or pending listing in the European Union and/or the United Kingdom*, or to one or more *Financial Instruments listed or pending listing in the European Union and/or the United Kingdom*, and which, if it were made public, could have a significant effect on the prices of such *Financial Instruments listed or pending listing in the European Union and/or the United Kingdom* or on the prices of the related derivative *Financial Instruments*;
- b) as regards commodity derivatives, any information of a precise nature which has not been made public, relating, directly or indirectly, to one or more of said derivatives or relating directly to the related spot commodity contract, and which, if made public, could have a significant effect on the prices of such derivatives or on the related spot commodity contract, and where this is information which is reasonably expected to be disclosed or is required to be disclosed in accordance with the legal or regulatory provisions of the *European Union and/or the United Kingdom* or national level, market rules, contracts, practices or customs on the relevant commodity derivative markets or spot markets;
- c) as regards emission allowances or auctioned products, any information of a precise nature which has not been made public, concerning, directly or indirectly, one or more of such instruments, and which, if made public, could have a significant effect on the prices of said instruments or on the prices of related derivative *Financial Instruments*;
- d) in the case of persons charged with the execution of orders relating to *Financial Instruments*, it also refers to the information transmitted by a *Customer* and relating to the pending orders for the *Customer's Financial Instruments*, of a precise nature relating, directly or indirectly, to one or more issuers or one or more *Financial Instruments* and which, if made public, could have a significant effect on the prices of such *Financial Instruments*, on the price of related spot commodity contracts or on the price of related derivative *Financial Instruments*.

For the purposes of the previous paragraphs a), b), c), and d), information is considered to be of a precise nature if it refers to a series of existing circumstances or circumstances which may reasonably be expected to come into existence either or an event that has occurred or which may reasonably be expected to occur, and if such information is specific enough to allow conclusions to be drawn on the possible effect of said series of circumstances or said event on the prices of the *Financial Instruments* or on the related derivative *Financial Instrument*, the related spot commodity contracts or the related auctioned products based on the emission allowances. In this regard, in the case of an extended process that is intended to put into effect or determine a specific situation or event, said future situation or future event, as well as any intermediate steps of said process that is related to the occurrence or cause of the situation or future event, may be considered to be information of a precise nature.

An intermediate step in an extended process is considered to be *Inside Information* if it satisfies the criteria established by this definition of *Inside Information*.

For the purposes of the previous paragraphs a), b), c) and d), any information which, if made public, could have a significant effect on the prices of the *Financial Instruments*, the derivative *Financial Instruments*, the related spot commodity contracts or the auctioned products based on emission allowances, is an information which a reasonable investor could use as part of the basis of his/her investment decisions.

In the case of participants in the emission allowance market with aggregated emissions or rated thermal input equal to or less than the threshold established by art. 17, second paragraph of the *MAR* and *UK MAR*, information about their physical operations is considered as not having any significant effect on the price of emission allowances, of auctioned products based thereon or of derivative *Financial Instruments*.

Insider List

This refers to the register of people who have access to *Inside Information* on Intesa Sanpaolo, Group companies issuing *Financial Instruments listed or pending listing in the European Union and/or the United Kingdom* and the *Issuers of Financial Instruments listed or pending listing in the European Union and/or the United Kingdom*, who are customers of Intesa Sanpaolo or of other Group companies, established pursuant to art. 18 of the MAR and UK MAR, and the corporate regulation governing the "Rules of the Group concerning the registers of people who have access to inside information ('Insider List')".

More specifically, the register of persons who have access to *Inside Information* concerning:

- a) Intesa Sanpaolo and the Group Companies who issue *Financial Instruments listed or pending listing in the European Union and/or the United Kingdom*, is subdivided into "dynamic" sections relating to specific transactions or events in which the company representatives, employees or persons outside the Company and/or the Group are registered, as the occasion arises, who have access to *Inside information* on Intesa Sanpaolo and the *Issuers of Financial Instruments listed or pending listing in the European Union and/or the United Kingdom*, who are part of the Group, in relation to the aforementioned specific transactions and/or events.
- b) *Issuers of Financial Instruments listed or pending listing in the European Union and/or the United Kingdom* who are customers of Intesa Sanpaolo or of other Group companies comprise only the "dynamic" sections relating to specific transactions or events.

Intesa Sanpaolo Group or Group

This refers to the economic Group headed by Intesa Sanpaolo.

For the purpose of identifying potential conflicts of interest, the Group perimeter should be established by reference to the notion of control found in points no. 1 and no. 2 of Article 2359 of the Italian Civil Code (internal control by right, and 'de facto' internal control), Article no. 23 of the *Consolidated Banking Act* and article no. 93 of the *Consolidated Finance Act* (which add the notion of dominant influence to the previous two ones).

Investment advice

This relates to the provision of personal recommendations to a *Customer*, upon the latter's request or upon initiative by the *Service provider*, with regard to one or more transactions concerning a given *Financial Instrument*.

Investment company

Refers to a company whose occupation or habitual activity consists of providing one or more *Investment Services* to third parties and/or carrying out one or more *Investment Activities* on a professional basis.

Investment services and activities (or Investment services)

These refer to the following:

- a) reception and transmission of orders in relation to one or more *Financial Instruments*;
- b) execution of orders on behalf of *Customers*;
- c) trading on own account;
- d) portfolio management;
- e) investment advice;
- f) Subscription and/or placement of *Financial Instruments* with firm commitment underwriting or standby commitment to the Issuer;
- g) placement of financial instruments without firm or standby commitment to the Issuer;
- h) management of multilateral trading facilities;
- i) management of organised trading facilities.

For the purposes of these Rules, the definition of *Investment services and activities* includes the provision of the *Collective portfolio management service*.

Investor

This refers to a natural or legal person who/which is offered or supplied with the *Collective portfolio management service* (outside the cases reported in italics, an investor is any party involved in the provision of *Services*) or *Marketing of Collective Investment Undertakings*.

Issuer

This is intended to be a legal entity governed by public or private law, which issues or proposes to issue *Financial Instruments* which, in the case of certifications representative of *Financial Instruments*, he corresponds to the issuer of the *Financial Instrument* represented.

Limited Information List

This refers to the list established on a voluntary basis as a tool to monitor:

- *Confidential information* relating to *Other Issuers*;
- *Inside Information* relating to *Other Issuers* where the *Group Company* with possession of the information does not operate *in the name or on their behalf* of the *Other Issuers*, that is to say in the event that the *Group Company* does not act as an intermediary appointed by *Other Issuers*, but acts, for example, as the counter-party of *Other Issuers* in a transaction.

The *Limited Information List* allows for the tracking of persons (employees, company representatives, any external persons operating *in the name or on behalf of a Group Company*, persons belonging to other *Group companies*) who have access to the aforementioned information.

Lists

They refer to collectively the *Watch List*, the *Limited Information List*, the *Insider List* and the *Restricted List*, provided for in these Rules.

Main Distributor

This refers to a *Group Company* that under specific distribution agreements acts as exclusive *Distributor of Collective Investment Undertakings* of the *Group* for a specific market.

Manufacturer

This refers to an intermediary that creates, develops, issues and/or designs financial instruments or that provide advice to corporate issuers in the performance of these activities.

Market Abuse Regulation or MAR

This refers to (EU) Regulation no. 596/2014 of the European Parliament and the Council of 16 April 2014 concerning market abuse (Market Abuse Regulation), which repeals Directive 2003/6/EC of the European Parliament and the Council and Directives 2003/124/EC, 2003/125/EC and 2004/72/EC of the Commission.

UK Market Abuse Regulation or UK MAR

This refers to the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, which is part of UK law by virtue of the EUWA.

Market Maker

A person who holds himself out on the *Regulated Markets* and *Multilateral Trading Facilities*, on a continuous basis, as being willing to deal on own account by buying and selling *Financial Instruments* at prices defined by him.

Marketing of Collective Investment Undertakings

This refers to the distribution of units or shares of *Collective Investment Undertakings*, whether established by the same company in charge of the marketing activity or by third party management companies.

Material Non-Public Information ("MNPI")

Under U.S. regulation, MNPI includes any information concerning a listed issuer that is (a) material and (b) non-public. Information is likely to be deemed material if there is a substantial likelihood that a reasonable investor would consider the information important in making a decision to buy, sell, or price a security. In this sense, material information is information that has market significance such that the dissemination of the information is likely to affect the market price of any outstanding securities. Information likely to be considered material includes (but is not limited to) information about dividends, earnings estimates, significant write-down of assets or additions to reserves for bad debts or contingent liabilities, the expansion or curtailment of operations, changes of backlog, proposals or agreements involving a merger, acquisition, divestiture or leveraged buy-out, new products or discoveries, major litigation, liquidity problems, extraordinary management developments, public offerings, changes of debt ratings, issuer tender offers, and recapitalizations.

MiFID II

This refers to Directive 2004/39/EC of the European Parliament and of the Council, of 15 April 2014, relating to markets of Financial Instruments, which amends Directive 2000/12/EC and Directive 2011/61/EU.

MiFID Regulation

These refer to the following regulations, subsequently amended and supplemented:

- this refers to Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, relating to markets of Financial Instruments, which amends Directive 2002/92/EC and Directive 2011/61/EU;
- Delegated Directive (EU) 2017/593 of 7 April 2016;
- Delegated Regulation (EU) 2017/565 of 25 April 2016;
- Regulation (EU) no. 600/2014 of the European Parliament and of the Council, of 15 May 2014, relating to markets of Financial Instruments, which amends Regulation (EU) no. 648/2012;
- Regulation (EU) no. 648/2012 of the European Parliament and Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories;
- Regulation (EC) no. 1287 of 10 August 2006;
and related national implementation provisions pursuant to:
- Italian Legislative Decree no. 58 of 24 February 1998 (*Consolidated Finance Act*), as amended;

- Consob Regulation no. 20307 of 15 February 2018 implementing Italian Legislative Decree no. 58 of 24 February 1998 (*Consolidated Finance Act*) concerning intermediaries;
- Consob Regulation no. 20249 of 28 December 2017 implementing Italian Legislative Decree no. 58 of 24 February 1998 (*Consolidated Finance Act*) concerning markets;
- Bank of Italy Regulation dated 5 December 2019 implementing Articles 4-undecies and 6, paragraph 1, letter b) and c-bis), of *Consolidated Finance Act*;
- Bank of Italy/Consob provision - "Regulation of central counterparties, central securities depositories and centralised management ("Single measure on post-trading" dated 13 August 2018, as amended.
- Bank of Italy provision dated December 2019 implementing Directive 2014/65/EU and Regulation (EU) no. 600/2014.

The ESMA and Consob or other local authorities' guidelines, as amended and supplemented from time to time, are also relevant in terms of interpretation and application.

MiFID-scope subsidiaries

These refer to Companies of the *Intesa Sanpaolo Group* which provide *Investment services and activities* and *Ancillary services* in the *European Union* and which, pursuant to the specific implementing provisions of *MiFID II*, are required to adopt the "Conflict of interest management Group Rules".

For the purposes of these Rules, the definition of *MiFID-scope subsidiaries* include SGRs (asset management companies), investment companies with variable capital (SICAVs) and investment companies with fixed capital (SICAFs).

Multilateral Trading Facilities (MTF)

This means the multilateral systems managed by an investment firm or a market manager which bring together – within the system and based on non-discretionary rules - multiple third-party buying and selling interests in *Financial Instruments* in a way that results in contracts.

Organised Trading Facilities (OTF)

They refer to multilateral facilities which differ from a *Regulated Market* or *Multilateral Trading Facilities* that allow the interaction between multiple third-party buying and selling interests in bonds, structured financial instruments, issue quotas and derivative instruments so as to result in contracts.

Other information that recommends or advises on an investment strategy

The following information is intended:

- a) processed by an independent analyst, an investment company, a credit institution, other persons whose main activity entails the processing of *Recommendations on investments*, or a natural person who works for them on the basis of a work contract or else, who makes, directly or indirectly, a specific investment proposal regarding a *Financial Instrument* or an *Issuer*; or
- b) processed by other persons besides those listed under letter a), who directly propose a specific investment decision relating to a *Financial Instrument*.

Other Investments

Credits and any other type of product/investment other than those of a financial nature.

Other Issuer/Other Issuers

This refers to *Sensitive Issuers* other than *Intesa Sanpaolo* or *Intesa Sanpaolo Group companies*.

Person

This refers to either a natural or a legal person.

Persons closely associated to the Relevant Person

Intended to mean:

- a) the "persons with whom the *Relevant Person* has a family relationship", namely:
 - the spouse of the *Relevant Person* or other partner of that person considered by national law as equivalent to a spouse;
 - dependent children of the *Relevant Person*;
 - any other relative of the *Relevant Person* who has shared the same household as that person for at least one year on the date of the personal transaction concerned;
- b) the "persons with whom the *Relevant Person* has close links" or the situation in which two or more natural or legal persons, are linked by:
 - participation in the form of ownership, direct or by way of control, of 20 % or more of the voting rights or capital of an undertaking;
 - 'control' which means the relationship between a parent undertaking and a subsidiary, in all the cases referred to in Article 22(1) and (2) of Directive 2013/34/EU, or a similar relationship between any natural

- or legal person and an undertaking, any subsidiary undertaking of a subsidiary undertaking also being considered to be a subsidiary of the parent undertaking which is at the head of those undertakings;
- a permanent link of both or all of them to the same person by a control relationship;
- c) the persons in relation to whom the *Relevant Person* has a material, direct or indirect interest in the result of the transaction other than the payment of fees or commissions for execution (including, for example, joint holders, holders of personal account where the *Relevant Person* has a proxy to operate and the companies for which the *Relevant Person* holds corporate positions with operational powers).

Persons related to a Relevant Person

This refers to:

- a) *Persons closely related to the Relevant Person*;
- b) Entities where the *Relevant Person* holds *Executive Positions*.

Placement/Placing

This refers to both the subscription and/or placement service with firm commitment underwriting of *Financial Instruments* or standby commitment of *Financial Instruments* to the *Issuer* and the Placement service without firm or standby commitment to the *Issuer*.

Without prejudice to the application of the provisions of Italian and European legislation in relation to cases in which, in the primary market, *Investment companies* and credit institutions distribute *Financial Instruments* for their issue, for the purposes of these Rules the cases in which a *MiFID-scope subsidiary* distributes, sells or offers *Financial products* issued by itself also fall under this definition.

Placement products

For the duration of the placement, these refer to:

- the *Financial Products* and the *Investment Services* issued/delivered/rendered by the *MiFID-scope subsidiary* and offered by it for subscription or sale or placed/distributed;
- *Financial Products* and *Investment services* issued/delivered/rendered by *Intesa Sanpaolo Group* companies and placed/distributed by the *MiFID-scope subsidiary*;
- *Financial Products*, excluding euro zone government bonds, and the *Investment Services* issued/delivered/rendered by intermediaries/*Issuers* unrelated to the *Group* and placed/distributed by the *MiFID-scope subsidiary*.

Portfolio management

This refers to the management, on a discretionary and personalised basis, of investment portfolios, which include one or more *Financial Instruments* carried out as part of a mandate conferred by *Customers*.

Reception and transmission of orders

This refers to the receipt and transmission of orders relating to one or more *Financial Instruments*. It includes arrangements to bring together two or more investors thereby bringing about a transaction between them.

Recommendations

They refer to *Recommendations on investments* and *Other information that recommends or advises on investment strategies*.

Recommendations on investments

This refers to any information intended for distribution channels or to the public, recommending or advising, explicitly or implicitly, an investment strategy concerning one or more *Financial Instruments* or *Issuers*, including opinions on the present or future value or price of said instruments.

Regulated markets

This refers to a multilateral system administered and/or operated by a market manager, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in *Financial Instruments* in a way that results in a contract related to the *Financial Instruments* admitted to trading under its rules and/or systems, and which is authorised and functions regularly and pursuant to part III of the *Consolidated Finance Act*.

Regulations on the presentation of investment recommendations

For the purposes of these Rules, they refer to the provisions concerning the presentation of investment recommendations pursuant to:

- to Delegated Regulation (EU) 2017/565 of 25 April 2016;
- the (EU) Regulation no. 596/2014/EU of the European Parliament and of the Council of 16 April 2014 concerning market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Directives 2003/124/EC, 2003/125/EC and 2004/72/EC of the Commission;
- (EU) *Delegated Regulation on Recommendations* no. 2016/958 of the European Commission of 9 March 2016, supplementing (EU) Regulation no. 596/2014 of the European Parliament and the Council concerning the technical regulatory standards on the technical provisions for the correct presentation of investment *Recommendations* or

Other information recommending or advising on investment strategies and the disclosure of specific interests or reporting conflicts of interest;

- Italian Legislative Decree no. 58 of 24 February 1998 (*Consolidated Finance Act*), as amended;
- *Issuers' Regulation*;
- *Intermediaries' Regulation*.

Related Financial Instrument

This refers to one of the *Financial Instruments* specified below, including *Financial Instruments* that are not admitted to trading or traded in a trading venue, or for which admission has not been requested for trading on a trading venue:

- a) contracts or right to subscribe to, acquire or sell securities;
- b) derivative *Financial Instruments* on securities;
- c) if the securities are convertible or exchangeable debt instruments, the securities that the debt instruments can be converted into or exchanged with;
- d) instruments issued or guaranteed by the Issuer or the guarantor of the securities, whose market price can significantly influence the price of the securities or vice versa;
- e) when the securities are securities equivalent to shares, the shares represented by such securities as well as all other securities equivalent to said shares.

Relevant Persons

These are subjects which belong to one of the following categories:

- a) members of corporate bodies;
- b) shareholders that hold a relevant stake in the Company (greater than 3% for companies with shares listed on a *Regulated market* or greater than 20% for companies not listed on a *Regulated market*);
- c) managers;
- d) financial consultants for offers made off-premises;
- e) employees;
- f) any other natural person whose services are available and under the control of the intermediary, and who participates in the provision of *Investment services* and the exercise of investment activities by said intermediary;
- g) natural persons who directly participate in the provision of *Services* to the *Group Company* on the basis of an outsourcing agreement concerning the provision of *Investment services* and the exercise of investment activities by said Company;
- h) Persons closely related to the Relevant Person.

Securities financing transactions

These refer to an instance of stock lending or stock borrowing or the lending or borrowing of other *Financial Instruments*, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.

Senior role

By way of example, this refers to the role covered by an intermediary that operates as *Lead Manager* (or co-lead manager) in a *Placement*, as mandated lead arranger within a structured finance transaction, as *Listing agent* or Global Coordinator in a transaction addressing public savings.

Sensitive issuers

These refer to:

- a) *Issuers* who have requested or authorised the admission of their *Financial Instruments* to trading on a *Regulated Market* in a member state of the *European Union*;
- b) *Issuers* who authorised the trading of their *Financial Instruments* on *MTFs* or *OTFs* of a member state of the *European Union*;
- c) *Issuers* who have asked for their *Financial Instruments* to be admitted to trading on *MTFs* in a member state of the *European Union*;
- d) *Issuers* with *Financial Instruments* admitted to trading or in respect of which a request was filed for admission to trading on a non-Italian *Regulated Market* recognised by Consob;
- e) *Issuers* of *Financial Instruments* whose securities:
 - are widely circulated among the public pursuant to Article 2-bis of the *Issuers' Regulation*;
 - are traded in official markets, other than the *Regulated markets* authorised or recognised by Consob, but comparable to them¹⁰;
 - are traded on *Systematic Internalisers* managed by the companies of the *Intesa Sanpaolo Group*.

Sensitive issuers also refer to:

¹⁰ Comparability is assessed on a case-by-case basis and is determined by the existence of a market that:

- permits or facilitates the meeting, internally and according to non-discretionary regulations, of multiple third-party purchase and sale interests with regard to *Financial Instruments*, admitted to trading in compliance with the rules of the market, in order to effect contracts, and which is operated by a fund manager, is authorised pursuant to its country's regulations and operates regularly;
- is subject to rules on market abuse that are similar to or the same as those in force in the *European Union*.

- the companies that do not have instruments listed on *Regulated markets* or circulated or traded on other markets comparable to the latter or on *MTFs* or on *OTFs* or on *Systematic Internalisers* but which are controlled by or which control a *Sensitive Issuer* or are owned in an eligible manner¹¹ by a *Sensitive Issuer*;
- the companies/joint ventures subject to the joint control of one or more *Sensitive Issuers*;
- the special purpose vehicles/entities (SPVs/SPEs) whose Sponsor/Originator is a *Sensitive Issuer*;
- the participants in the issue quota market, with regard to *Inside Information* relating to the issue quotas deriving from actual transactions on the aforementioned participants in the issue quota market;
- any auction platform, auctioneer or auction supervisor relating to issue quota auctions or other related products put up for auction, held in accordance with (EU) Regulation no. 1031/2010;
- the *Issuers* whose *Financial Instruments* are admitted to trading on an SME growth market.

Sensitive situations

This refers to, transactions, proposal for transactions or business relations that concurrently meet the following requirements:

- are related to:
 - *Sensitive Issuers* or
 - companies that are expected to become *Sensitive Issuers* as a result of a specific event (e.g., companies that do not have *Financial Instruments* already traded on a *Regulated Market*, *MTF*, or *OTF*, but whose *Financial Instruments* are subject to an application for admission or authorization to trade on a *Regulated Market*, *MTF*, or *OTF*);
- may:
 - originate potential conflicts of interest situations for which a prior analysis/management is envisaged for the *Parent Company* and the other *Group Companies* under centralized management, which takes place through the census in a specific IT application available on the company intranet, and/or
 - constitute or give access to *Inside Information* or *Confidential Information* such as to generate registration on the *Lists*;
- meet the quantitative and/or qualitative requirements identified in the applicable internal regulations.

Services

These refer to *Investment services and activities* and *Ancillary Services*.

Shareholdings

These are shares, quotas and other *Financial Instruments* which entitle the holder to administrative rights or in any case those provided for by Article 2351, last subsection, of the Italian Civil Code.

Significant role

This refers to the performance of a significant position within a company as the Chief Executive Officer, General Manager, Chief Financial Officer or other figures that constitute significant representatives and who are involved in the governance of the company.

Specialist

This means the operator that undertakes to guarantee the liquidity of one or more *Financial Instruments* by making buying and selling proposals on an ongoing basis.

Sustainability preferences

Pursuant to the Delegated Regulation (EU) 2017/565, as amended by the Delegated Regulation (EU) 2021/1253, means a *Customer's* or potential *Customer's* choice as to whether and, if so, to what extent, one or more of the following *Financial Instruments* shall be integrated into his or her investment:

- a *Financial Instrument* for which the *Customer* or potential *Customer* determines that a minimum proportion shall be invested in environmentally sustainable investments as defined in Article 2, point (1), of Regulation (EU) 2020/852 of the European Parliament and of the Council (*);
- a *Financial Instrument* for which the *Customer* or potential *Customer* determines that a minimum proportion shall be invested in sustainable investments as defined in Article 2, point (17), of Regulation (EU) 2019/2088 of the European Parliament and of the Council ;
- a *Financial Instrument* that considers principal adverse impacts on sustainability factors where qualitative or quantitative elements demonstrating that consideration is determined by the *Customer* or potential *Customer*.

Systematic Internaliser

This refers to the subject who, on an organised, frequent and systematic basis, deals on its own account by executing *Customer* orders outside the *Regulated Markets* or the *Multilateral Trading Facilities*.

User (of a Benchmark)

¹¹ In this document, a company is considered to be owned in an eligible manner by a *Sensitive Issuer* when the value of the *Shareholding* of the *Sensitive Issuer* represents at least 10% of its consolidated shareholders' equity.

This refers to the *MiFID-scope subsidiary* that performs at least one of the following activities:

- issuance of a financial instrument which references an index or a combination of indices;
- determination of the amount payable under a financial instrument or a financial contract by referencing an index or a combination of indices;
- being a party to a financial contract which references an index or a combination of indices;
- providing a borrowing rate as defined in point (j) of Article 3 of Directive 2008/48/EC calculated as a spread or mark-up over an index or a combination of indices and that is solely used as a reference in a financial contract to which the creditor is a party;

measuring the performance of an investment fund through an index or a combination of indices for the purpose of tracking the return of such index or combination of indices, of defining the asset allocation of a portfolio, or of computing the performance fees.

Watch List

This refers to the list of *Sensitive situations* that could give rise to *Conflicts of interest* situations and/or access to *Inside* and *Confidential Information*, updated, where conditions are met, by the *MRU*.

7 ANNEX II: GUIDELINES FOR MANAGING CONFLICTS OF INTEREST

1. Introduction.

These guidelines describe the measures adopted by FAM UK aimed at managing potential conflicts of interest deriving from the investment of the assets of UCITS / Customers in certain financial instruments.

In particular, with reference to the financial instruments, including derivatives, with the exclusion of the units / shares of UCIs, issued and / or placed by companies of the Intesa Sanpaolo Group or its relevant shareholders (so-called Related UCIs), rules and limits have been defined to which all the relevant staff of FAM UK responsible for the provision of portfolio management services, investment advice and collective management shall comply (section 2 and 3 of these guidelines).

With regard to Related UCIs, in order to mitigate the risk that investment choices are not made having regard to the best interest of the Customer, FAM UK defined the criteria to use for ongoing monitoring (section 4).

2. Investments in financial instruments issued by the Group's companies.

FINANCIAL INSTRUMENTS ISSUED BY GROUP COMPANIES	SHARES AND OTHER EQUITIES	TRADED ON REGULATED MARKETS	
		- included in the benchmark	<p>This is allowed up to the maximum limit of the security's weight in the benchmark increased by 1 percentage point.</p> <p>The Manager must make a written request for investments up to the limit of 3% on the weight in the benchmark. Authorisation can be provided in writing by the Head of Desk (if present, otherwise the Head of Investment).</p> <p>In the case of investments over 3% of the weight in the benchmark, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>
		- not included in the benchmark	<p>This is allowed up to the maximum limit of 1% of the managed portfolio, after the manager notifies the Head of his/her department; the manager must make a request in writing for investments up to 3% of the managed portfolio. Authorisation is provided by the Head of Desk (if present, otherwise the Head of Investment).</p> <p>In the case of investments over 3% of the managed portfolio, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p> <p>In any case, total investment in the assets under management cannot exceed 1% of the company capital with voting rights.</p>
		NOT TRADED ON REGULATED MARKETS	<p>This is only allowed after a written request from the manager in accordance with the head of Desk with authorisation from the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>

	DEBT SECURITIES		<p>Only allowed for instruments with rating no lower than the investment grade.</p> <p>At the time of subscription, the overall spread offered by the security must be consistent with that of other issuers with similar ratings and duration that belong to the same sector.</p> <p>The evidence to support the investment decision must be adequately traceable from the Portfolio Manager and the Head of Desk. The Head of Investments and Risks & Compliance could request -from time to time- written evidence of the investment decision, where necessary.</p>
	STRUCTURED SECURITIES AND DERIVATIVE INSTRUMENTS		<p>Only accepted provided that FAM UK has control tools and systems which allow for independent assessment of the single financial instrument in order to avoid a situation where the price paid does not match the fair value.</p> <p>Investment in structured financial instruments and derivative instruments (e.g. certificates) which could replace direct investment in financial instruments, after a written request from the manager in accordance with the Head of Desk, is authorised by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head Investments, authorisation is given by the Managing Director.</p>

3. Investment in financial instruments placed¹² by Group Companies.

Investment in financial instruments placed by Group Companies is subject to the rules listed below:

- during the placement period, the investment is allowed provided that it complies with the limits and authorisations outlined in the table below.
- there are no specific limitations after the end of the placement period, with the exception of those limitations laid down in the regulations in force or in other company or Group provisions.

FINANCIAL SHARES AND OTHER	TRADED ON REGULATED MARKETS	
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¹² If a Group company is part of the underwriting syndicate, then the financial instrument is deemed to be effectively acquired by the Group company

		- included in the benchmark	<p>This is allowed up to the maximum limit of the security's weight in the benchmark increased by 1 percentage point.</p> <p>The Manager must make a written request for investments up to the limit of 3% on the weight in the benchmark. Authorisation can be provided by the Head of Desk (if present, otherwise the Head of Investment).</p> <p>In the case of investments over 3% of the weight in the benchmark, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>
		- not included in the benchmark	<p>This is allowed up to the maximum limit of 1% of the managed portfolio, after the manager notifies the Head of his/her department.</p> <p>The manager must make a request in writing for investments up to 3% of the managed portfolio. Authorisation is provided by the Head of Desk (if present, otherwise the Head of Investment).</p> <p>In the case of investments over 3% of the managed portfolio, after a written request from the manager in accordance with the Head of Desk, authorisation is given by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p> <p>In any case, total investment in the assets under management cannot exceed 1% of the company capital with voting rights.</p>
		NOT TRADED ON REGULATED MARKETS	<p>This is only allowed after a written request from the manager in accordance with the Head of desk with authorisation from the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>
	DEBT SECURITIES		<p>This is allowed up to the maximum limit of 3% of the issuing, following a written communication from the Portfolio Manager, via the Head of Desk, to the Head of Investments.</p> <p>For investments greater than 3% of the issuing and up to the maximum limit of 7% of the issuing, a written request shall be submitted from the Portfolio Manager, via the Head of Desk, to the Head of Investments. The Head of Investments is asked to consider and, if thought fit, to approve the request. In case of absence of the Head of Investments, authorisation is assessed by the Managing Director.</p> <p>At the time of subscription, the overall spread offered by the security must be consistent with that of other issuers with similar ratings and duration that belong to the same sector.</p> <p>The evidence to support the investment decision must be adequately traceable.</p> <p>It is not permitted to subscribe financial instruments which are placed exclusively by a Group Company.</p>

	<p>STRUCTURED SECURITIES AND DERIVATIVE INSTRUMENTS</p>	<p>Only accepted provided that FAM UK has control tools and systems which allow for independent assessment of the single financial instrument in order to avoid a situation where the price paid does not match the fair value.</p> <p>Investment in structured financial instruments and derivative instruments (e.g. certificates) which could replace direct investment in financial instruments, after a written request from the manager in accordance with the Head of Desk, is authorised by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>
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4. Investment in Related UCIs.

The process described below, followed to ensure that the investment in Related UCIs is made in the best interest of the customer, is carried out by Fideuram Asset Management SGR in accordance with Annex 4 of the Service Level Agreement (SLA) relative to the Service Agreement between Fideuram Asset Management SGR and FAM UK.

A monthly monitoring of the historical returns of the Related UCIs in the portfolios is carried out, on the basis of four indicators: returns at 6, 12, 18 and 24 months measured with respect to the average yield over the same period of the UCIs belonging to the same category (peer group), or UCIs that are homogeneous in style and investment policy.

The universe of UCIs used as a comparison group consists of the set of UCIs belonging to the Morningstar Database and the identification of the category to which it belongs is based on the use of the Morningstar Database.

A Related UCIs is in a state of anomaly with respect to one of the aforementioned indicators if it is in the last ten percentiles of the estimated probability distribution.

In the event that for a Related UCI there are at least two indicators in a state of anomaly and the same falls within the last performance quartile of the respective Morningstar category, considered a historical interval of 12 months, the UCIs will be included in a watch list (so-called "Candidate UCIs").

From the moment a Related UCI enters the watch list, it is not allowed to increase its weight within the portfolios in which it is located ("container" portfolios). Therefore, further investments will be possible only in the face of an increase in the assets managed by the "container" portfolio.

The positions of Related UCIs on the watch list are analyzed and the appropriateness of taking further actions is assessed.

After nine consecutive months in which a Related UCI is on the watch list, measures, methods and timelines aimed at reducing at least 25% of the exposure will be assessed, taking into account the interest of the Customer portfolios and market integrity.