



CONFLICT OF INTEREST MANAGEMENT POLICY

POLICY

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1. INTRODUCTION¹

CBP Quilvest S.A. (hereinafter also the “*Bank*”) carries out a broad range of activities which may give rise to significant conflicts of interest between its *Relevant Persons* and the *Customers* or between its *Customers*, when providing *Investment services and activities*, *Ancillary services* (or a combination of the two) in the course of its Private Banking activity as well as when acting as Depositary of Alternative Investment Funds in the course of its Depositary activity.

In the context of the *MiFID Regulation*, investment firms are required to apply and maintain an effective conflict of interest management policy, formulated in writing and appropriate to their size and organisation, as well as the nature, size and complexity of their business and the circumstances of which they are or should be aware, also in relation to their different branches of activity as well as the activities carried out by *Relevant Persons* and the activities carried out by the group to which they belong within the scope of an overall conflicts of interest management policy.

These Rules represent the conflict of interest management policy of the Bank pursuant to the *MiFID Regulation* applicable to the provision of *Investment Services and activities* or *Ancillary Services* and the CSSF Circular 18/697 (Part III, Chapter 1), applicable to fund depositaries, and their objective is:

- to identify the circumstances which generate or are likely to generate a conflict of interest that could harm the interests of one or more *Customers (or investors of a fund, in the context of the Depositary activity; for ease of reference, the term Customers utilised in this Policy may, according to the context, cover either the customers or the investors)* ;
- to describe the procedures to be followed and measures adopted to prevent or manage such conflicts of interest.

The measures adopted are aimed at ensuring that the *Relevant Persons* engaged in various professional activities involving a conflict of interest carry out such activities with a degree of independence that is appropriate to the size and activities of the Bank and to the risk of damage to the interests of the *Customers*.

The content of these Rules is reviewed annually as well as upon the occurrence of relevant circumstances which require amendments and/or integrations in order to ensure that the list of all the various circumstances which generate or are likely to generate conflicts of interest is always kept up to date, also to take account of any changes in the Bank’s organisational structure and in the *Services* provided by it, as well as the other activities relevant to this document, and to ensure that any solutions identified to mitigate any conflicts of interest detected are closely monitored and adequate measures are adopted to address any deficiencies. Such activity is carried out by the Compliance function with the support, if need be, of the legal and organisation functions of the Bank.

Any proposals to amend these Rules are brought to the attention of the Corporate Bodies of the Bank.

Lastly, the Board of Directors, receives at least once a year a written report prepared by the Compliance function on the situations in which a conflict of interest has arisen or may arise in the context of the provision of *Investment Services and activities* or *Ancillary Services*.

2. CONFLICTS OF INTEREST IN THE PROVISION OF INVESTMENT AND ANCILLARY SERVICES

These Rules contain a description of the circumstances which generate or are likely to generate conflict-of-interest situations which may potentially harm the interests of one or more *Customers* and which may arise between *Relevant Persons* and the *Customer* or between *Customers* when providing any *Investment service and activity* or *Ancillary service* or a combination of these *Services*.

Certain circumstances which, in abstract terms, may amount to a conflict of interests vis-à-vis the *Customers*, but which also take the form of wrongful conduct as they are prohibited by specific legal provisions and/or regulations, are not dealt with by these Rules.

2.1. CONFLICTS OF INTEREST IN THE PROVISION OF INVESTMENT SERVICES AND ACTIVITIES

2.1.1. Reception and transmission of orders in relation to one or more financial instruments

- In the Reception and transmission of orders in relation to one or more financial instruments service, using a Relevant Person or a Person related to a Relevant Person as a Broker/Dealer implies a conflict of interest as the choices of the Broker/Dealer might be based on the commissions and/or income earned by the Bank (or by the Relevant Person) rather than in the best interests of the Customer.
- In the Reception and transmission of orders in relation to one or more financial instruments service, transmitting systematic instructions to the Broker/Dealer in relation to the Execution venue, when the latter is managed by a Company in which the Group (or a Relevant Person or a Person related to a Relevant Person) has a Relevant Stake, or when the Group takes part in shareholders' agreements which govern the company that manages the Execution venue or its parent company or the majority shareholder of the same, or in respect of which the Bank acts as Market Maker, Liquidity Provider or Specialist represents a conflict of interest as the Execution venue might be chosen on the basis of the income earned by the Group (or by the Relevant Person) rather than in the best interests of the Customer.
- In the Reception and transmission of orders in relation to one or more financial instruments service, using a Broker/Dealer with which, in relation to said service, there are agreements in place to receive fees or commissions or else non-monetary services (inducements) represents a conflict of interest as the choices of the Broker/Dealer might be based on the existing agreements mentioned above rather than in the best interests of the Customer.

2.1.2. Execution of orders on behalf of Customers

- The systematic execution of orders on behalf of *Customers* on an *Execution venue* managed by a *Company in which the Group (or a Relevant Person or a Person related to a Relevant Person) has a Relevant Stake*, or when the *Group* takes part in shareholders' agreements which govern the company that manages the *Execution venue* or its parent company or the majority shareholder of the same, or in respect of which the *Bank* acts as *Market Maker, Liquidity Provider* or *Specialist* entails a conflict of interest as the *Execution venue* might be chosen on the basis of the commissions and/or income earned by the *Group (or by the Relevant Person)* rather than in the best interests of the *Customer*.
- The execution of orders, on an *Execution venue*, on behalf of *Customers* with whom, in relation to said service, there are agreements in place to receive fees or commissions or else non-monetary services (inducements) entails a conflict of interest as the *Execution venue* might be chosen on the basis of the existing agreements mentioned above rather than in the best interests of the *Customer*.
- In case the Bank acts as a *Manufacturer*, this entails a conflict of interest where Bank already holds an exposure to the underlying assets or wants to hold an exposure to the underlying assets after the sale of the

Financial Instrument, as the Bank could be induced to sell this *Financial Instrument* not in the best interests of the *Customer* but in order to:

- mitigate and/or dispose of its own risks or exposure to the underlying assets of the *Financial Instrument* or
- assume an exposure opposite to the one of the *Customer* in relation to the underlying asset of the *Financial Instrument*.

In the event that the Bank distributes, sells or offers *Financial products* which the Bank itself issued or which are issued by entities with which the bank is related (e.g. funds for which the bank acts as investment advisor, investment manager or promoter), the conflicts of interest relating to the *Placement services* shall apply.

2.1.3. Dealing on own account

- *Dealing on own account* in *Financial Instruments* issued by companies belonging to the *Intesa Sanpaolo Group* entails a conflict of interest as the *Bank* might be induced to perform the transaction following their financial interest rather than in the best interests of the *Customer*.
- The *Dealing on own account* service involving *Financial Instruments* whose value and/or return is linked to any *Benchmark* of which an *Intesa Sanpaolo Group* company is the *Administrator* or a *Contributor* involves a conflict of interest since the *Bank* could be enticed into conducting the transaction due to the *Group's* interest rather than in the best interests of the *Customer*.
- In the event that the *Dealing on own account* service concerns *Financial Instruments* deriving from a previous underwriting of financial instruments and/or placement of financial instruments on a firm commitment basis carried out by the Bank for the *Issuer*, a conflict of interest may arise in respect of investment *Customers* as the *Bank* might deal such *Financial Instruments* to mitigate the risk to which the *Group* is exposed rather than in the best interests of the *Customer*. The existence of a conflict of interest is assessed taking into consideration the time elapsed since the underwriting and/or placement on a firm commitment basis or how significant the position is for the *Group*.
- The *Dealing on own account* service involving *Financial Instruments* in which the Bank has undertaken a *Directional Position* as part of its activity, entails a conflict of interest as the *Bank* might trade such *Financial Instruments* to mitigate the risk to which the *Group* is exposed rather than in the best interests of the *Customer*. The existence of a conflict of interest is assessed by reference to the size of the *Directional Position* assumed.
- The *Dealing on own account* service involving *Financial Instruments* in relation to which the Bank provides the underwriting of financial instruments and/or placement services of financial instruments on a firm commitment basis service, shows, in the *Grey Market* phase, all the kinds of conflicts of interest relating to the provision of the underwriting of financial instrument and/or placement of financial instruments on a firm commitment basis for the *Issuer*. Such an activity entails a conflict of interest as the *Bank* might deal such *Financial Instruments* to mitigate the risk to which the *Group* is exposed rather than in the best interests of the *Customer*. The existence of a conflict of interest is assessed taking into consideration the size of the position assumed.
- The *Dealing on own account* service involving *Financial Instruments*, regarding OTC derivatives for which the *Bank* also performs clearing activities as a *Direct Participant*, entails a conflict of interest as the *Bank*, in the interest of the *Group* rather than in the best interests of the *Customer*, could, directly or indirectly, interfere with/ influence the decision of how accessing the clearing system by a *Customer*, with reference to the following main aspects:
 - whether to offer access to the clearing system to a specific *Customer*;
 - whether to agree to offer the clearing activity to a specific *Customer* in relation to a specific OTC derivative financial instrument;
 - whether to submit a *Customer* transaction to a specific clearing house;
 - whether to accept certain forms of collateral from a particular *Customer*;
 - whether to establish or make changes to risk tolerance levels and limits for a specific *Customer*;

- whether to set fees for a particular *Customer* based on criteria other than those generally available and applied.

2.1.4. Portfolio management (Discretionary Management)

- In the *Portfolio management* service, using a Bank (or a *Relevant Person* or a *Person related to a Relevant Person*) as a *Broker/Dealer* entails a conflict of interest as the choices of the *Broker/Dealer* might be based on the commissions and/or income earned by the *Group* (or by the *Relevant Person*) rather than in the best interests of the *Customer*.
- In the *Portfolio management* service, transmitting systematic instructions to the *Broker/Dealer* in relation to the *Execution venue*, when the latter is managed by a *Company in which the Group* (or a *Relevant Person* or a *Person related to a Relevant Person*) has a *Relevant Stake*, or when the *Group* takes part in shareholders' agreements which govern the company that manages the *Execution venue* or its parent company or the majority shareholder of the same, or in respect of which a Bank acts as *Market Maker, Liquidity provider* or *Specialist* entails a conflict of interest as the *Execution venue* might be chosen on the basis of the income earned by the *Group* (or by the *Relevant Person*) rather than in the best interests of the *Customer*.
- In the *Portfolio management* service, choosing contractual counterparties with which, in relation to above mentioned service, there are agreements in place to receive fees or commissions or other minor monetary inducements entails a conflict of interest as the counterparties might be chosen on the basis of the existing agreements mentioned above rather than in the best interests of the *Customer*.
- In the *Portfolio management* service, including *Financial Instruments* issued, set-up or managed by the *Group* (or by a *Relevant Person* or a *Person related to a Relevant Person*) in the assets under management entails a conflict of interest as the Bank might be induced to include such *Financial Instruments* in the assets under management in the interest of the *Group* (or of the *Relevant Person*) rather than in the best interests of the *Customer*.
- 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 the Bank 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*.
- In the *Portfolio management* service, including *Financial Instruments* placed also through Bank in the *assets* under management entails a conflict of interest as the Bank might be induced to include such *Financial Instruments* into the assets under management to preserve their relationship with the company and/or the *Group's* interests rather than in the best interests of the *Customer*.
- In *Portfolio management* service, including *Financial Instruments* in the assets under management where such instruments are issued by companies in respect of which the *Intesa Sanpaolo Group*:
 - has a *Relevant Stake* in the share capital of the *Issuer* or of the company which controls the *Issuer* or of the *Issuer's* majority shareholder or 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 which controls the *Issuer* or of the *Issuer's* majority shareholder;
 - takes part in shareholders' agreements entered into between reference shareholders of the *Issuer* or of the *Issuer's* controlling company or the *Issuer's* majority shareholder;
 - granted significant financing or is one of the main lenders of the *Issuer* or its *Group*;
 - acts as *Specialist, Corporate broker* or *Liquidity provider* with regard to certain *Financial Instruments* of the *Issuer*;
 - has provided *Corporate financial services and activities* to the *Issuer* or has received a fee for such services in the last twelve months;

- as part of its activity, has assumed a *Directional Position* in relation to the *Financial Instruments* of the *Issuer* or its *Group*. The existence of a conflict of interest is assessed by reference to the size of the *Directional Position* assumed;
- has share capital owned by the *Issuer*;
- is an Issuer of *Financial Instruments related* to the *Issuer's Financial Instruments*;
- has engaged an independent expert to assess the value of the assets contributed or purchased by real estate *Collective Investment Undertakings* set up or managed by the *Group*, or by a company appointed to verify the compatibility and profitability of the contributions in the real-estate *Collective Investment Undertakings* of the *Group* by reference to the management policy and the investment promotion activity carried out by the *Collective Investment Undertaking* concerned;

entails a conflict of interest as the Bank might be induced 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.

- Simultaneously providing *Portfolio management* services to a variety of *Customers* when the Bank 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*.
- In the *Portfolio management* service, including in assets under management of *Financial Instruments* in respect of which the fund manager or other *Relevant Persons* involved in the management hold a *Directional Position* in their portfolio, or the transfer of *Financial Instruments* from the fund manager's portfolio or from the other *Relevant Persons'* portfolios to the *Customer's* portfolio, entails a conflict of interest as the *Financial Instruments* might be chosen on the basis of the interest of the fund manager or of the other *Relevant Persons* rather than in the best interests of the *Customer*.
- In the *Portfolio management* service, including *Financial Instruments* in assets under management where such instruments are issued by companies in which the fund manager or other *Relevant Persons* involved in the management have a *Relevant Stake*, or the transfer of the aforesaid *Financial Instruments* from the fund 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 fund manager or the other *Relevant Persons* rather than in the best interests of the *Customer*.
- 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*.
- The *Portfolio management* service provided by a Bank entails a conflict of interest as the selection of the counterparties by the Bank might be biased in favour of the latter'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:
 - transactions are carried out with *Brokers/Dealers* who, in addition to the trading service, provide the Bank, which carries out the *Portfolio management* service, with other kinds of services;
 - *Securities financing transactions* are carried out with *Group* companies;
 - advice is provided by a company of the *Group* or by companies with which the Bank, responsible for the *Portfolio management*, entertains business relationships (if the cost is borne by the assets under management);

- asset management is entrusted to companies with which the Bank, responsible for the *Portfolio management*, entertains business relationships (if the cost is borne by the assets under management).
- In the *Portfolio management* service, the grouping by the fund manager of orders regarding *Financial Instruments* of several *Customers*, or of one or more *Customers* with the fund manager's personal order, entails a conflict of interest, as the allocation of the transactions relating to the grouped orders might be detrimental to one or more *Customers* and to the related transactions.
- In the *Portfolio management* service, if the Bank performs the activity on the basis of management mandate conferred by several intermediaries, in particular in the event that some of these are external to the *Group*, a conflict of interest arises, since the Bank could be enticed into favouring the interests of one of the intermediaries, especially if belonging to the *Group*, over those of another one.

2.1.5. Investment advice

Within Investment advice provided on Financial Instruments, the existence of rewarding systems for the Relevant Persons involved in providing the service in question may entail a conflict of interest as the Relevant Persons might be induced, based on the remuneration received, to recommend specific Financial Instruments to the Customers regardless of the fact that it might not be in the best interests of the Customers concerned.

The Investment advice service is usually provided jointly with another Investment or Ancillary service; thus, in providing the service under review, besides the conflict-of-interest situations stated above, there are additional ones highlighted by reference to the Investment or Ancillary service possibly provided in addition to the Investment advice.

The conflicts of interest relating to the provision of Investment advice also apply to the distribution of Financial products issued by the Group.

2.1.6. Placing of financial instruments on a firm commitment basis towards the issuer

The placing of financial instruments on a firm commitment basis service towards the Issuer of shares of SICAVs or SICAFs or of units of Collective Investment Undertakings set up or managed by SGRs or SICAVs or SICAFs of the Intesa Sanpaolo Group or other companies in which the Intesa Sanpaolo Group holds a Relevant Stake entails a conflict of interest, as the Bank might be interested in generating commissions to the benefit of such SGRs or SICAVs or SICAFs rather than in the best interests of the Customer.

2.2. CONFLICTS OF INTEREST IN THE PROVISION OF ANCILLARY SERVICES

2.2.1. Safekeeping and administration of financial instruments for the account of clients, including the custodianship and related services, such as cash/collateral management and excluding maintaining securities accounts at the top tier level

Regarding the conflicts of interest in the safekeeping and administration of financial instruments for the account of clients, (including the custodianship and related services, such as cash/collateral management and excluding maintaining securities accounts at the top tier level), for the purpose of identifying the types of conflicts of interest that arise in the course of providing services and activities and whose existence may damage the interests of an investment fund, the Bank takes into account, by way of minimum criteria, the question of whether the Bank or a Relevant Person, or a legal or natural Person directly or indirectly linked to the Bank by way of control, is in any of the following situations:

- The Bank or that Person is likely to make a financial gain, or avoid a financial loss, at the expense of the investment fund or its investors;

- The Bank or that Person has an interest in the outcome of a service or an activity provided to the investment fund or its investors or to a client or of a transaction carried out on behalf of the investment fund or a client, which is distinct from the investment fund's interest in that outcome;
- The Bank or that Person has a financial or other incentive to encourage:
 - the interest of another investment fund, a client or group of clients over the interest of the investment fund;
 - the interest of one investor over the interest of another investor or group of investors in the same investment fund;
- The Bank or that Person carries out the same activities for the client as for one or several clients.

2.2.2. Granting credits or loans to investors to allow them to carry out a transaction in one or more financial instruments where involving the firm granting the credit or loan is involved in the transaction

Granting credits or loans to *Customers* for transactions in one or more *Financial Instruments* and the simultaneous provision of other *Investment services and activities* entails a conflict of interest as the Bank might carry out the transaction in its own interest rather than in the best interests of the Customer.

2.2.3. Foreign exchange trading, where these are connected to the provision of investment services

The provision of the foreign exchange trading, where this is connected to the provision of one or more *Investment services*, may entail a conflict of interest towards one or more *Customers*, when a *Relevant Person*:

- on the basis of the information received from one or more *Customers*, trades in derivatives and/ or spot instruments on the currency subject of the foreign exchange trading in the interest of the Bank or of the Group;
- on the basis of the information received from one or more *Customers*, trades in derivatives and/or spot instruments on the currency subject of the foreign exchange trading in the interest of one or more *Customers*, to the detriment of others;
- enters into a currency derivative on behalf of a *Customer* and/or trades in spot instruments on the currency subject of the foreign exchange trading, in the interest of the Bank/Group rather than in the best interests of the *Customer*;
- recommends the *Customer* to trade on the basis of its own interest in light of reward systems in the provision of the service, rather than in the best interests of the *Customer*.

2.2.4. Investment services and activities, as well as previously listed ancillary services linked to derivatives² if linked to the provision of investment or ancillary services³

No conflicts of interest other than those already highlighted were detected in the provision of *Investment services* or *Ancillary services* regarding *Financial Instruments*.

²In relation to this ancillary service, 'derivative instruments' refer to the instruments included in the definition of *Financial Instruments*, under 5), 6), 7) and 10).

³ "Ancillary services" means the investment services and ancillary services on the underlying of the financial services mentioned above (commodities, inflation rates and other), where said financial services are related to the provision of other investment services and ancillary services which instead concern *Financial Instruments*.

The Group has identified such *Ancillary Services* as:

- a) advice on the purchase of gold, if such service is linked to a derivative entered into to hedge against fluctuations in the value of gold;
- b) advice on the purchase of gold and simultaneous advice on the purchase of shares of an issuer whose main activity is the processing of gold.

2.2.5. Gifts and other forms of benefits

The receipt and/or provision by *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*⁴.

3. GENERAL PROVISIONS FOR MANAGING CONFLICTS OF INTEREST

In addition to identifying the circumstances which generate or might generate a conflict of interest with regard to *Investment services and activities* and *Ancillary services* provided and the distribution on *Insurance-based investment products*, these Rules define the main rules to follow and the actions to take to manage such conflicts of interest and has identified, as part of the *Group* or Intesa Sanpaolo procedures implementing other legal provisions or regulations, those deemed appropriate for managing the conflict-of-interest situations listed in the first part of this document.

3.1. RULES FOR THE MANAGEMENT OF INSIDE OR CONFIDENTIAL INFORMATION OF OTHER ISSUERS

3.1.1. 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 “Rules for the Management of Inside and Confidential Information from Other Issuers” – the *Bank* 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 ⁵and 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:

⁴ More details are provided in the Rules for management of gifts.

⁵ Emission allowances means the emission allowances of greenhouse gasses according to Directive 2003/87/EC.

- *Confidential information relating to Other Issuers⁶;*
- *Inside information relating to Other Issuers, so far as the Bank does not operate in their name or on behalf of them.*

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 Bank who have access to *Inside Information or Confidential Information on Other Issuers*.

3.2. RULES ON THE APPROVAL OF NEW PRODUCTS, SERVICES AND ACTIVITIES INTENDED FOR SPECIFIC TARGET CUSTOMERS

Rules have been adopted at Group and the Bank level to govern the approval processes for new products, services, activities and markets in order to coordinate – in a single document – the product governance oversight processes for products intended for specific target customers with the clearing Guidelines. As far as new products are concerned, these provisions 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 product consists of the following steps:

- Annual budget and guidelines in terms of New Products
- Feasibility Analysis
- Clearing
- Post Sales Monitoring

These processes are articulated according to the specific types of product and are managed through the Product Committee that see the joint participation of the business and control functions.

In wide terms, also with regards to those cases not concerning new products in strict sense, the Guidelines identify the responsibility of Corporate Bodies and corporate structures involved in their approval.

3.3. CODE OF ETHICS, INTERNAL CODE OF CONDUCT AND ANTICORRUPTION GUIDELINES

In relation to the conflicts of interest associated with Relevant Persons, the Bank has adopted internal codes 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 Bank 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 and the Bank 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:

⁶ Where an Intesa Sanpaolo Group company operates in the US, the Confidential Information include the MNPI, i.e. the Material Non-Public Information.

- 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 Bank;
- 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 admissible on an exceptional basis considering the profile of the donor and/or recipient and, at any rate, within reasonable limits, upon prior authorisation of Head of Department.

The set annual value limits for gifts and other benefits do not apply to entertainment expenses do not apply to breakfasts, parties, events and forms of reception and hospitality involving the participation of company officials and Bank personnel provided that these are strictly related to business relations and are reasonable considering the commonly accepted practices of commercial and/or institutional courtesy.

3.4. 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”)⁷.

In this context, the *Group* has defined specific Guidelines to regulate an adequate control system for the evaluation of the Most Significant Transactions⁸, 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.

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.

3.5. 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.

⁷ 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.

⁸ 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.

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 system⁹ 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.

3.6. RULES ON PERSONAL TRANSACTIONS

In relation to the conflicts of interest associated with *Relevant Persons*, the "Rules on personal transactions" have been adopted, which for *the Bank* governs 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 "Rules on personal transactions", all the *Relevant Persons* may not:

- perform personal transactions:
 - using Inside Information or Confidential Information¹⁰ of which they are aware;

⁹ 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.

¹⁰ 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.

- 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*.

The “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 “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.

4. PROCEDURES FOR MANAGING CONFLICTS OF INTEREST

The Bank, in addition to identifying the general provisions to be followed and the measures to be adopted in order to manage conflict-of-interest situations which might be detrimental to the interest of one or more Bank’s Customers, has defined – in relation to the Investment services and activities and Ancillary services provided to its Customers – additional procedures for managing such conflicts of interest; in particular, it has identified among the procedures already adopted other legal provisions or regulations, those which are considered appropriate also for managing conflicts of interest identified in the first part of these Rules.

Procedures which guarantee similar protection levels to Customers and Investors are adopted by the Bank in relation to the Investment services and activities and Ancillary services provided by the same.

4.1. RULES ON THE PROVISION OF ADVISORY SERVICES AND OTHER INVESTMENT SERVICES AND SUITABILITY ASSESSMENT

The Bank has adopted a set of policies and procedures aimed at ensuring that, in providing the Investment advice and Portfolio management service, it exclusively recommends transactions that are suitable to the Customer or potential Customer.

The Bank provides Investment advice which consists in the formulation of “Personalised Recommendations” to Customers on Financial products and offered Investment services. These recommendations are provided by the Bank to the Customer only after evaluating the suitability of the transaction on a case-by-case basis, after having

obtained from the Customers (or potential Customers) information regarding their knowledge and experience on investments as well as the Customer's financial situation investment goals.

All the assets subject to the adequacy test (identified by a unique NDG for each "Portfolio" in Investment services) including the value of the Financial Products, the current accounts and/or registered deposits or loans with the Bank are referable to the Customers' unique NDG.

The Bank assesses the suitability of transactions by reference to, notably:

- the specific degree of knowledge and experience of the Customer in accordance with the complexity of the Financial Product/Financial Instrument the risk that the Portfolio may be exposed to as a result of the transactions
- how frequently the Customer gives instructions to carry out transactions affecting its Portfolio
- the degree of concentration on the Issuer of the Financial Product traded in the Portfolio
- the level of concentration in Complex Financial Products
- the level of concentration by currency;

and controls that the value of the Financial Products in the Portfolio classified in "Reserve" is in line with the liquidity needs specified by the Customer at the time its profile was created and that the value of the Financial Products in the Portfolio, characterised by a holding period longer than 7 (seven) years is in line with the amount specified by the Customer at the time its profile was created and the impact in terms of costs/benefits of the replacement transactions (Investment Switching).

Furthermore, as regards Financial products such as interest rate derivatives, exchange rate derivatives and derivatives on commodities for hedging purposes, the Bank has adopted the "Rules for OTC derivatives", for its customers, aimed at pursuing a balanced sales policy that enables us to guarantee:

- the existence of consistency between the experience and the financial knowledge of the Customer, its financial situation, its investment goals, on one side, and the characteristics of the product offered to it on the other side;
- complete understanding by the Customer, upon signing the contract, of the product structure and its behaviour in the event of extremely adverse scenarios and/or scenarios deemed to be remote.

The Product Committee is also responsible for introducing additional constraints to the trade of products with respect to the provisions of the aforementioned rules, authorising the information material that supports the commercial relationship with the Customers, monitoring the risk profile of the product portfolio, the trend in the market value of existing contracts and the business performance.

4.2. RULES FOR THE SALE OF FINANCIAL INSTRUMENTS/PRODUCTS

The Bank has deemed it necessary to define rules and criteria aimed at ascertaining, upstream of the activities related to the provision of Investment services, the quality of the Financial Products and Financial Instruments, selecting, for inclusion in its product portfolio, those that are already consistent in the product engineering phase with the financial needs they are designed to meet.

The set of rules and criteria defined apply to Placement products in respect of which the Bank provides personal recommendations to the Customers with the following aims:

- to guarantee an adequate quality of Issuer's risk, in the case of Financial products and Financial Instruments exposed to credit risk;
- In general terms, to ensure an adequate level of transparency and intelligibility of the main features and risk elements of the Financial Products and Financial Instruments that are placed/distributed.

Compliance with the rules and criteria defined is verified, before launching the sale, as part of the Product Governance and Compliance Clearing processes.

In addition, the Bank has defined, for Financial Instruments purchased from Customers on the secondary market, specific criteria to control the transparency of information.

4.3. ORDER EXECUTION AND TRANSMISSION STRATEGY

The Bank takes into account the following factors when defining its Execution and Transmission Strategy

- price of the financial instrument and execution costs;
- speed of execution;
- likelihood of execution and
- settlement; order size; order nature;
- other characteristics of the order relevant to its execution.

The Bank has adopted an Order Transmission and Execution Strategy aimed at ensuring the best possible execution of its clients' orders, taking into account the nature of the orders themselves, the execution venues to which the Bank has access and the types of financial instruments.

Based on the above listed factors, orders received from clients are executed identifying the execution venues that are best suited to ensuring the best possible result for the execution of the Clients' orders in the long term perspective, also considering fees and costs for the execution of the order on each of the eligible execution venues.

The following are the categories of execution venues mainly considered by the Bank in assessing/identifying the available ones:

- Regulated Markets (RM)
- Multilateral Trading Facilities (MTF)
- Organised Trading Facilities (OTF)
- Systematic Internalisers (SI)
- Other market intermediaries trading on their own account.

The Bank is not a direct member of any regulated market, with the exception of the Refinitiv FXAll and Bloomberg MTF. The transmission of its clients' orders to regulated markets and MTFs is carried out through broker-dealers. The Bank has selected Intesa Sanpaolo S.p.A. and Intesa Sanpaolo Bank Luxembourg S.A. as its reference brokers for the access to Luxembourg and foreign Regulated Markets and MTFs respectively.

In selecting the broker-dealer, the Bank considers the following factors:

- stability and relevance of the guaranteed volumes;
- broker-dealer execution strategy aligned to the Bank's strategy
- advantages in terms of overall costs, taking into account the economic conditions applied, the integrations with the information systems used by the Bank and the integrations in the different phases of the post trading process with the Custodian Bank.

The Bank performs a periodic monitoring and review of its selection of brokers, assessing the service received on the basis of periodic qualitative reports, submitted by brokers, based on the transposition of the MiFID II Directive regulated in the Delegated Regulation (EU) 2017/565 of the Commission of 25th April 2016.

In order to increase the degree of transparency and understanding of the transmission and execution practices of the orders adopted in favour of its Customers, the Bank publishes the report on the quality of execution obtained at the first 5 execution venues/brokers.

Whenever significant changes are made to the Transmission and execution strategy, the Bank shall ensure that the Customers are properly informed.

For further details on the strategy for execution and transmission of orders strategy adopted by the Bank please refer to the specific document “Order Transmission and Execution Policy”.

4.4. RULES ON INDUCEMENT

The Bank has adopted a policy to manage the inducements received for the provision of Investment services and activities, notably within the distribution of UCITS Funds of the conclusion of the cooperation agreement with third parties (e.g. introducers) which describes the schemes aimed at guaranteeing compliance with the legal terms pursuant to the provisions of the regulations in force.

This document provides a description of the criteria to be used to guarantee the compliance of the validity conditions of the inducements, the choices made with regard to the company policy for managing inducements in terms of methodological approach and related evaluation principles.

As regards inducements subject to eligibility conditions, an evaluation process is envisaged to ascertain that they are:

- effectively aimed at giving a better-quality service to Customers;
- they do not prevent the Bank from complying with his duty to act in the best interests of the Customer.

The Bank has formalised non-discretionary rules of conduct aimed at making incentives neutral with respect to the choices relating to the various obligations required by the law. In this regard, it is important to: adopt technical-financial parameters for the selection of the products/services to offer to Customers; use a model to assess non-discretionary suitability in order to support personalized recommendations, adopt suitable policies on best-execution and the management of conflicts of interest, as well as criteria and rules on defining remuneration standards varying in relation to the complexity of managing the product/services and the added value for the Customer. In particular, the Bank:

- has adopted organisational and procedural solutions to prevent the Bank’s activities being affected by the differing amounts of incentives received by/paid to third parties for Services performed to the Customer;
- has set some rules for the determination of the incentives that can be generally received upon the subscription of Financial Products during the relative maintenance in the portfolio;
- has adopted rules to ensure that the aforementioned incentives are aimed at improving the quality of the service towards the Customer and do not prejudice the Bank’s duty to better serve the Customer’s interests. In particular, to improve the quality of the service provided, Bank will carry out and send to the Customer the periodic assessment of the portfolio’s consistency.

In compliance with the above criteria, the amount of retrocession to be paid to the Bank for each individual product, if applicable is determined as part of the product governance processes.

In any case, the monetary and non-monetary incentives paid to/received from third parties should be disclosed to the Customers through information provided on a prior basis and subsequent to the provision of the service to which they refer.

4.5. 3.5 RULES ON PERSONAL TRANSACTIONS

In relation to the conflicts of interest associated with *Relevant Persons*, the “Rules on personal transactions” have been adopted, which for *the Bank* governs the investments in *Financial Instruments* made at personal level by the *Relevant Persons*.

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

- perform personal transactions:
 - using Inside Information or Confidential Information 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. 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 Bank 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.

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

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

5. CONFLICTS OF INTERESTS IN THE CONTEXT OF THE DEPOSITARY ACTIVITIES

When acting as depositary under the Law of 12 July 2013 on alternative investment fund managers (the “2013 Law”), the Bank has the obligation to act honestly, fairly, professionally, independently and solely in the interest of the AIF and the AIF investors. This obligation includes in particular the obligation for the activities of Bank to be managed and organised in a way that minimises any potential conflicts of interest.

In order to avoid any potential conflicts of interest,, no delegation or sub-delegation of the core investment management function of the AIF for which the Bank acts as depositary may be accepted by it.

The prohibition as regards the delegation or the sub-delegation of the core investment management function shall also apply to any delegate and, in general, to any entity downstream of a delegate in an asset custody chain. The prohibition whereby no mandate relating to the core investment management function can be given to either the Bank or one of its delegate and, in general, any entity downstream of a delegate in an asset custody chain does not preclude the delegation of the core investment management function to an entity linked to the Bank by common management or control.

Neither the Bank nor one of the delegates to which it has entrusted all or part of the assets of a given AIF may accept a delegation of the risk management function from the AIF or from its Management Company. The depositary or a delegate may, however, be entrusted with the performance of certain support tasks linked to the risk management function.

Subject to compliance with the rules set out above, the Bank, when acting as depositary may, inter alia, act in the following capacities, provided that it benefits, where applicable, from the required authorisations: i) credit and and/or financing grantor ii) agent for reception and transmission of orders relating to one or more financial instruments; iii) counterparty to transactions conducted by AIFs; iv) administration agent and/or registrar agent; v) collateral agent; vi) collateral manager; vii) tax or reporting service provider (reporting); viii) prime broker; ix) currency hedging agent; x) external valuer within the meaning of Article 17(4)(a) of the 2013 Law.

When the Bank wishes to act in capacities other than in its capacity as depositary, it is required (i) to establish, implement and maintain an effective conflicts of interest policy, (ii) to establish a functional and hierarchical separation between the performance of its AIF depositary functions and the performance of its other tasks, (iii) to proceed with the identification, management and adequate disclosure of potential conflicts of interest and (iv) where appropriate, to establish a contractual separation.

The Bank can be a direct or indirect shareholder of a Management Company where it is acting as a depositary of an AIF managed by this Management Company, or even have a qualifying holding in such a Management Company. Consequently, in the case of a qualifying holding, the Management Company must identify the conflicts of interest that could result from such holding and endeavour to avoid them in accordance with the procedures provided for by the conflicts of interest policy of the Management Company. By analogy, the Bank, in such case, shall also establish a procedure relating to the policy and the management of potential conflicts of interest. Moreover, the principle of independence of the depositary from an AIF or from the Management Company of an AIF prevents the members of the senior management of the Management Company from being employees of the depositary.

6. DISCLOSURE AND REGISTRATION OF CONFLICTS OF INTEREST AND RELATED REGISTER

6.1. DISCLOSURE OF CONFLICTS OF INTEREST

The Bank provides Retail Customers (or potential Retail Customers) and Investors with a description, also in summarized form, of the conflict of interest policy followed by them.

Every time Retail Customers (or potential Retail Customers) or Investors so request, Bank will provide further details on the conflict of interest policy using a Durable medium, or the website, provided that, in the latter case, the provisions of the Intermediaries' Regulation are complied with¹¹.

Furthermore, the MiFID Regulation provides that, where the organisational and administrative measures adopted to manage conflicts of interest are not sufficient to hedge against the risk of harming the interests of the Customer or Investor with reasonable certainty, the Bank must clearly inform the Customers before acting on their behalf, of the general nature and/or sources of conflicts of interest, as well as of the risks generated for the Customer and of the actions taken to mitigate them so that they can adopt an informed decision on the services provided in the context of which the conflict-of-interest situations occur.

¹¹ The conditions set out in the Delegated Regulation (UE) 2017/565 of 25 April 2016 are deemed to be satisfied when:

- the use of the website is suitable to the context in which the relationship between the Bank and the Customer takes or will take place;
- the Customer expressly agrees to the provision of information by those means;
- the Customer is informed, by email, of the website and the page where the information may be obtained;
- the information is up-to-date;
- the information is continuously accessible for the entire period of time that the Customer may reasonably need to obtain it

In accordance with the *Regulations on the presentation of investment recommendations* and the *Prospectus Regulation*, also where organisational and administrative measures have been taken to manage conflicts of interest, *the Bank* shall notify *Customers* of any conflict-of-interest situations which may take place:

- in a specific disclaimer or in the appropriate section of the website, regarding the production of *Recommendations* and
- within the offer documentation, as regards the provision of the *Placement service*.

With respect to *Recommendations*, the *Delegated Regulation* provides, inter alia, that it should clearly and visibly indicate any relationship or situation that could reasonably be expected to compromise their integrity, including the interests or conflicts of interest of the person who produces the *Recommendation*, or the natural or legal person that works for it on the basis of a contract, including a contract of employment, or other, and who has taken part in producing the *Recommendation* with respect to the *Financial Instrument*, or the *Issuer* to whom the *Recommendation* directly or indirectly refers.

Of particular importance for the *Group* is the disclosure of the significant *Holdings* held:

- by the *Issuer* subject to the *Recommendation* on the total shareholding capital issued by the persons producing the *Recommendations*;
- by the persons producing the *Recommendations* on the total shareholding capital issued by the *Issuer* subject to the *Recommendations*.

Moreover, the Bank will disclose to clients the conflict of interest, identified by the Compliance Function, when effective organizational and administrative arrangements to prevent or manage the conflict of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client will be prevented.

6.2. REGISTER OF CONFLICTS OF INTEREST

The Compliance Function, supported by the other Functions of the Bank when they are aware of any conflict of interest, must identify the circumstances that may lead to a conflict of interest (which may result in damage for the customer in relation to an activity or service provided to him or her).

For this purpose, the Bank keeps a “Record of conflicts of interest” Form (the “Record”) where the existing situations that could lead to a conflict of interest are detailed, as well as reference to the corresponding mitigating controls, which must be adopted by each area to prevent or manage such conflicts.

The Record, containing the communications received regarding the types of investment services or activities where a conflict of interests has arisen, must be maintained and updated through the Compliance Department. The Compliance Department will be the center of administrative support in order to fulfil this function.

The information to be included in the Records would be the following:

- The identity of those who have been exposed to the conflict of interest
- The date on which the conflict originated
- The instruments or services to which the conflict refers
- The reason for the conflict appearing and a detailed description of the situation
- Finally, a description of the measures to be adopted in order to prevent or manage such conflicts

The obligation to inform the Compliance Department of the existence of conflicts of interest regarding customers has been established for all staff of the Institution.

The Record will be subject to undergoing periodic revisions as part of the self-assessment exercise of the various areas of the Bank with respect to the risks associated with the different processes.

In this context, Compliance department has access to the information regarding situations that may generate a conflict of interest in the provision of the *Investment services and activities* and *Ancillary Services* concerned, including the transactions managed by the *Watch List* application and the related reports of personal interest of the employees for the active management of the relevant conflict-of-interest situations and the creation of a relevant database for disclosures regarding the Recommendations. The aforesaid situations of potential conflict of interest are kept and available to the Bank's Compliance department.

7. ATTACHMENT – GLOSSARY

Here below is the glossary of the terms used in the Rules on the management of conflicts of interest adopted by Intesa Sanpaolo (hereinafter also the "Rules"). The terms used in the Rules, the definition of which can be found in this Glossary, are capitalized and written in italics. Even if the terms included in this Glossary are, as a rule, stated in the singular, within the Rules the same terms may be used, if appropriate, in the plural and in that case, they shall have the same meaning shown below.

7.1. ADMINISTRATOR (OF A BENCHMARK)

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

7.2. ANCILLARY SERVICES

These refer to the following:

- 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;
- 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
- the service of foreign exchange trading, where connected with the provision of investment services;
- Investment research, financial analysis or other forms of general recommendation relating to transactions in financial instruments;
- Services related to underwriting;
- investment services and activities, as well as previously mentioned ancillary services linked to derivative instruments¹² if linked to the provision of investment or ancillary services.

7.3. 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.

7.4. BROKER/DEALER

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

7.5. 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:
 - debt instruments whose return depends on the result of a defined asset aggregate (including, for example, RMBS, CMBS, CDO);
 - debt instruments whose return is subject to repayment of the debt securities held by others (including, for example, subordinated debt instruments);
 - debt instruments in relation to which the issuer has the discretionary power to change the cash flows of the instrument;
 - debt instruments without a specified repayment date or maturity (including, for example, perpetual bonds);
 - 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);
 - debt instruments characterized by complex mechanisms for establishing or calculating the yield;
 - 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);
 - 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;
 - 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);
 - 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).

7.6. AUTHORIZED MANAGER

The person(s) appointed by the Board of Directors to oversee the day-to-day operations of Fideuram Bank (Luxembourg) S.A.

7.7. 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 Article 7 of the *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 Article 7 of the *MAR* – cannot be considered to be *Inside Information* as it concerns *Issuers* that do not fall within the scope of application of the EU 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 the *Consolidated Finance Act* with respect to market abuse¹³ 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.

7.8. CONTRIBUTOR (TO A BENCHMARK)

The natural or legal person contributing input data.

7.9. CSSF

Commission de Surveillance du Secteur Financier

7.10. CUSTOMER (OR CUSTOMERS)

The Customer is a Person to whom the Bank provides: Funds Services, Investment services and activities and/or Ancillary services or the distribution of Insurance-based investment products.

7.11. CORPORATE FINANCE SERVICES AND ACTIVITIES

The Customer relationship management activity includes, by way of example, the services regarding:

- investment banking transactions (advisory, arranging, origination, transactions addressing public savings – such as IPO, OPV, OPVS, OPA, etc. -, M&A);
- acquisition and management of Shareholdings (including private equity and merchant banking transactions);
- structured finance transactions, transactions connected to debt restructuring or the overhaul of companies in a crisis and, in general, the provision of corporate banking products and services, including ordinary loans and loans linked to extraordinary transactions and leasing and factoring transactions.

7.12. DEALING ON OWN ACCOUNT

This refers to the activity involving the buying and selling of Financial Instruments, as a direct counterparty.

7.13. DELEGATED REGULATION

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.

7.14. 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.

7.15. 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.

7.16. DURABLE MEDIUM

This refers to any instrument which

- 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
- which allows the unchanged reproduction of the information stored.

7.17. 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.

7.18. EUROPEAN UNION

A supranational organization borne following the Maastricht Treaty of 7 February 1992, which currently comprises 28 States: Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, United Kingdom, Czech Republic, Romania, Slovakia, Slovenia, Spain, Sweden, Hungary.

7.19. 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.

7.20. FINANCIAL INSTRUMENTS

These refer to:

- transferable securities, or categories of securities which may be traded on the capital markets, such as for example:
 - company shares and other securities similar to shares of companies, partnerships or other subjects and deposit certificates;
 - bonds and other debt securities, including the relevant deposit certificates;
 - any other security that permits the acquisition or sale of the securities referred to in letters (a) and (b) or any other securities that result in a spot settlement determined with respect to securities, currencies, interest rates or returns, commodities or other indices or measures;
- money market instruments, or categories of securities which are normally traded on the money market, such as for example:
 - Treasury bonds;
 - deposit certificates;
 - commercial bills;
- 3) units of a Collective Investment Undertaking;
- 4) option contracts, futures contracts, swaps, forward rate agreements and another derivative contracts related to securities, currencies, interest rates or yields, or to another derivative instruments, financial indices or financial measures which can be settled by physical delivery of the underlying or by paying the spread in cash;

- option contracts, futures contracts, swaps, forward contracts 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;
- option contracts, futures contracts, swaps and any other derivatives relating to commodities that can be physically settled provided that they are traded on a Regulated Market, a Multilateral Trading Facility or an Organised Trading Facility, except for wholesale energy products traded on an Organised Trading Facility that must be physically settled;
- option contracts, futures contracts, 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 as other derivative Financial Instruments;
- derivative instruments for transferring credit risk;
- contracts for difference (“CFDs”);
- option contracts, futures contracts, swaps, forward rate agreements and another derivative contracts related to weather variables, transport tariffs, 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, whether they are traded on a Regulated Market or on Multilateral Trading Facilities;
- emission allowances consisting of any unit recognized for compliance with the requirements of Directive 2003/87/EC (emission trading scheme).

7.21. FINANCIAL INSTRUMENTS LISTED OR PENDING LISTING IN THE EUROPEAN UNION

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

7.22. 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.

7.23. FUND

Any investment fund established in accordance with the 2010 Law to which Fideuram Bank Luxembourg S.A. provides the custody, fund administration and transfer agent services

7.24. INSIDE INFORMATION

This refers to:

- 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, or to one or more

Financial Instruments listed or pending listing in the European Union, 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 or on the prices of the related derivative Financial Instruments;

- 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 or national level, market rules, contracts, practices or customs on the relevant commodity derivative markets or spot markets;
- 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;
- 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 Financial Instruments of the Customer, with 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 Article 17, paragraph 2, second subsection of the 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*.

7.25. INSIDER LIST

This refers to a list of persons with access to Inside Information relating to Other Issuers if the Group Company in possession of the information operates in the name or on behalf of the Other Issuer, that is to say in the event that the Group company acts as an intermediary appointed by another Issuer, established pursuant to Article 18 of the MAR.

7.26. 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 Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Finance Act) (which add the notion of dominant influence on the previous two ones).

7.27. 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.

7.28. 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.

7.29. INVESTMENT SERVICES AND ACTIVITIES (OR INVESTMENT SERVICES)

These refer to the following:

- reception and transmission of orders in relation to one or more financial instruments;
- execution of orders on behalf of customers;
- portfolio management;
- investment advice;
- Subscription and/or placement of financial instruments with firm commitment underwriting or standby commitment to the issuer;
- placement of financial instruments without firm or standby commitment to the issuer;
- management of multilateral trading facilities;
- management of organized trading facilities.

7.30. 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).

7.31. 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 correspond to the issuer of the Financial Instrument represented.

7.32. LEAD MANAGER

This refers to the person who has been engaged by the Issuer to study the characteristics of an issue that may be well received by the market (especially in terms of price, coupon, quantity) and to organize a syndicate of intermediaries (co-lead managers or managers) that may subscribe (or underwrite) and/or distribute them to professional investors.

7.33. 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 counterparty 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.

7.34. LIQUIDITY PROVIDER

The person who, on the basis of a contract with the Issuer operates in order to provide liquidity to trading allows regular listings and avoid price fluctuations that are not in line with the market trend.

7.35. LISTS

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

7.36. MANAGEMENT OF MULTILATERAL TRADING FACILITIES

This refers to the management of multilateral facilities 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 pursuant to Part II and Part III of the Consolidated Finance Act.

7.37. MANAGEMENT OF ORGANIZED TRADING FACILITIES

These are multilateral systems other than a Regulated Market or a Multilateral Trading Facility that bring together multiple third-party buying and selling interests in bonds, structured financial instruments, issue quotas and derivatives in a way that results in contracts pursuant to Part II and Part III of the Consolidated Finance Act.

7.38. 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.

7.39. 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.

7.40. MARKET MAKER

This refers to a person who offers, on the trading premises and/or outside of the same, on an ongoing basis, to be willing to deal on own account by buying and selling Financial Instruments at prices defined by them.

7.41. MIFID II

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

7.42. MIFID REGULATION

These refer to:

- 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: [●]

7.43. MULTILATERAL TRADING FACILITY (MTF)

This refers to the multilateral facility managed by an investment firm or a market manager which bring together – within the facility and based on non-discretionary rules - multiple third-party buying and selling interests in Financial Instruments in a way that results in contracts pursuant to Part II and Part III of the Consolidated Finance Act.

7.44. OTHER INFORMATION THAT RECOMMENDS OR ADVISES ON AN INVESTMENT STRATEGY

The following is considered information:

- 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
- processed by other persons besides those listed under letter a), who directly propose a specific investment decision relating to a Financial Instrument.

7.45. ORGANISED TRADING FACILITIES (OTF)

This refers to a multilateral facility other than a Regulated Market or a Multilateral Trading Facility that bring together multiple third-party buying and selling interests in bonds, structured financial instruments, issue quotas and derivatives in a way that results in contracts pursuant to Part II and Part III of the Consolidated Finance Act.

7.46. OTHER INVESTMENTS

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

7.47. OTHER ISSUERS

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

7.48. PERSON

This refers to either a natural or a legal person.

Persons closely associated to the Relevant Person

Intended to mean:

- 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;
- 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;
- 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).

7.49. 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.

7.50. PLACEMENT/PLACING

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

Stops the application of the provisions of Italian and European legislation in relation to cases in which, in the primary market, investment firms and credit institutions distribute Financial Instruments for their issue, for the purposes of these Rules also falling under this definition are the cases in which a MiFID-scope subsidiary distributes, sells or offers Financial products issued by itself.

7.51. 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.

7.52. PORTFOLIO MANAGEMENT

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

Prospectus Regulation

As regards these Rules, these refer to the provisions concerning prospectuses pursuant to:

- Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC and adopted by Consob Resolution no. 21016 of 24 July 2019;
- Regulation 809/2004 of the Commission of 29 April 2004 on implementing Directive 2003/71/EC of the European Parliament and of the Council as regards the information contained in prospectuses, the format of prospectuses, the incorporation of information by reference, the publication of prospectuses and the dissemination of advertisements, as amended;
- Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Finance Act);
- Issuers' Regulation.

7.53. PROFESSIONAL CUSTOMER OR PROFESSIONAL INVESTOR

In the case of private customers, we mean the Customer who is in possession of the requirements identified by Consob in the Intermediaries Regulation (Attachment 3), including the cases in which a party, as provided for in the same Regulation, has submitted a request to be treated as a professional customer. In the case of public customers, this refers to the Customer which possesses the requisites prescribed by the Regulation issued by the Ministry of Economy and Finance pursuant to Article 6, subsection 2-sexies of the TUF.

7.54. RECEPTION AND TRANSMISSION OF ORDERS REGARDING ONE OR MORE FINANCIAL INSTRUMENTS

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.

7.55. RECOMMENDATIONS

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

7.56. 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.

7.57. 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 authorized and functions regularly and pursuant to part III of the Consolidated Finance Act.

7.58. 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 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;

7.59. 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:

- contracts or right to subscribe to, acquire or sell securities;
- derivative Financial Instruments on securities;

- if the securities are convertible or exchangeable debt instruments, the securities that the debt instruments can be converted into or exchanged with;
- 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;
- when the securities are securities equivalent to shares, the shares represented by such securities as well as all other securities equivalent to said shares.

7.60. RELEVANT PERSONS

These are subjects which belong to one of the following categories referred to each of the MiFID-scope subsidiaries:

- members of corporate bodies;
- shareholders that hold a relevant stake in the MiFID-scope Subsidiary (greater than 3% for companies with shares listed on a Regulated market or greater than 20% for companies not listed on a Regulated market);
- managers;
- financial consultants authorised for off-premises offering;
- employees;
- any other natural person whose services are available and under the control of the MiFID-scope subsidiary, and who participates in the provision of Investment services and the exercise of investment activities by said MiFID-scope subsidiary;
- natural persons who directly participate in the provision of Services to the MiFID-scope subsidiary on the basis of an outsourcing agreement concerning the provision of Investment services and the exercise of investment activities by the MiFID-scope subsidiary and/or the distribution of Insurance-based investment products.

7.61. RELEVANT STAKE

This refers to the stake in an Issuer of listed shares in Italy or in the European Union, with Italy as the Member state of origin of more than 3%; if the issuer is an SME, this limit is equal to 5% of the share capital. In the case of other Issuers, the limit is equal to 10% of the share capital.

7.62. RESTRICTED LIST

This refers to the list of restrictions, generally applicable to proprietary trading activities or to the publication of Recommendations, prepared by the Appointed Unit in relation to specific Other Issuers and/or Financial Instruments.

7.63. RETAIL CUSTOMER OR RETAIL INVESTOR

This refers to Customers that lack the requisites prescribed for private professional Customers by Attachment 3 of the Intermediaries Regulation and those prescribed for public professional Customers by the Regulation issued by the Ministry of Economy and Finance pursuant to Article 6, paragraph 2-sexies of the Consolidated Finance Act (TUF) as well as those required to be classified as Eligible counterparties pursuant to Article 6, subsection 2-quater letter d) of the TUF.

7.64. 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.

7.65. SENSITIVE ISSUERS

These refer to:

- Issuers who have requested or authorized the admission of their Financial Instruments to trading on a Regulated Market in a member state of the European Union;
- Issuers who authorized the trading of their Financial Instruments on Multilateral Trading Facilities (MTFs) or Organised Trading Facilities – OTFs) of a member state of the European Union;
- Issuers who have asked for their Financial Instruments to be admitted to trading on Multilateral Trading Facilities (MTFs) in a member state of the European Union;
- 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 recognized by Consob;
- 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 authorized or recognized by Consob, but comparable to them ;
 - are traded on Systematic Internalisers managed by the companies of the Intesa Sanpaolo Group.

7.66. SENSITIVE ISSUERS ALSO REFER TO:

- 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 manner 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.

7.67. SENSITIVE SITUATIONS

This refers to services, activities, transactions or other specific situations that alternatively:

- may create potential Conflicts of interest situations if carried out or present in conjunction with the provision of other services and/or activities or in relation to other significant events identified in the internal regulations, where a preventive analysis/management is envisaged for the Conflict of interest situation which, for the Parent Company and the other Group Companies under centralized management, takes place through the census in a specific IT application available on the company intranet, and/or
- may constitute or involve access to Classified Information even considered individually and so generate registration on the Lists.

7.68. SERVICES

These refer to the services provided for under the introduction of this Policy.

7.69. 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.

7.70. 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.

7.71. 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.

7.72. SPONSOR

This means the intermediary responsible for assisting an Issuer company with the listing process, guaranteeing the reliability of the business plan and facilitating the contacts with analysts and investors.

7.73. SYSTEMATIC INTERNALISER

This refers to the Investment Company which, on an organized, frequent and systematic basis, deals on its own account by executing Customer orders outside of a Regulated Market, Multilateral Trading Facility or Organised Trading Facility without managing a multilateral system. The frequent and systematic way is measured by the number of OTC trades on Financial Instruments carried out on own account by executing the orders of the Customers. The substantive way is measured by the size of the OTC negotiations carried out by the subject on a specific Financial Instrument in relation to the total trades made on the Financial Instrument by the same subject or within the European Union.

7.74. USER (OF A BENCHMARK)

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.

7.75. 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 relevant person.

7.76. 2010 LAW

The Luxembourg law dated 17 December 2010 relating to undertakings for collective investment, as amended