



FIDEURAM
ASSET MANAGEMENT IRELAND

Conflicts of Interest Policy

October 2017

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DOCUMENT CONTROL

Version n.	Issue date	Issued by	Amendment - whole / partial
1	July 2010	Compliance & Operational Risk Desk	Whole
2	July 2011	Compliance & Operational Risk Desk	Partial (added Guidelines)
3	November 2011	Compliance & Operational Risk Desk	Partial (amended Guidelines)
4	July 2014	Compliance & Operational Risk Desk	Partial
5	November 2014	Compliance & Operational Risk Desk	Partial (amended Guidelines)
6	April 2016	Risks & Compliance Desk	Partial
7	October 2016	Risks & Compliance Desk	No amendments after semi-annual review
8	May 2017	Risks & Compliance Desk	Partial <ul style="list-style-type: none"> - FAMI conversion into dac - Company's new organisational chart - FAMI London Branch - Glossary (MAD 2 compliant) added
9	October 2017	Risks & Compliance Desk	No amendments after Semi-Annual Review

1. INTRODUCTION

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

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

This document represents Fideuram Asset Management Ireland's Policy for the management of conflicts of interest and it aims at:

- identifying the circumstances which result in or could result in a conflict of interest able to seriously damage the interests of one or more *Clients*;
- describing the organisational procedures and measures adopted to manage these conflicts of interest.

The content of this Policy is reviewed at least semi-annually, or upon occurrence of significant circumstances which require its modification and/or integration, to make the identification of circumstances resulting in or which could result in some conflicts of interest continuously updated, to take the possible modifications occurred in the organisational structure of the *Group Intesa Sanpaolo* and of the *Services* it provides into account and to keep a high control of the solutions identified for the mitigation of conflicts of interest found out (e.g.: at any time of a change to business model/new product, etc.). This activity is up to FAMI's Risks & Compliance Desk which avails of the support of FAMI's relevant units. In particular, business and compliance units work together to monitor conflicts of interest for more effective identification and management, considering that the identification of conflicts of interest is seen by FAMI as all employees' responsibility, considering conflicts of interest from both a bottom up and top down approach.

Fideuram Asset Management Ireland prepared this Policy, focused on *portfolio management services*, and keeping in mind both the directions contained in the Parent Company's Policy and the peculiarities of its own operations and organisational and procedural structure.

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

The Policy is applicable in full to the recently established UK Branch of the Company in London, as it pursues the activities of collective portfolio management.

2. CONFLICTS OF INTEREST IN THE PROVISION OF SERVICES

This Policy contains the description of the circumstances resulting in or which could result in conflicts of interest situations liable to seriously damage the interests of one or more *Clients* and which arise among Fideuram Asset Management Ireland and/or the *Relevant Persons* and/or with the *Client* or among the *Clients*, during the provision of any *collective and individual portfolio management service and advice*.

2.1 CONFLICTS OF INTEREST IN SERVICE AND INVESTMENT ACTIVITY PROVISION

FAMI is authorised to provide:

- *collective portfolio management*;
- *individual portfolio management*;
- *Advisory* (service actually not performed by FAMI).

2.1.1 COLLECTIVE AND INDIVIDUAL PORTFOLIO MANAGEMENT (hereinafter "Portfolio management")

- a) In *Portfolio management* service, the selection of counterparts with which, concerning the already said service, there are agreements to pay or receive fees or commissions or to provide or receive non monetary benefits (so called inducements) implies a conflict of interest because the counterparts could make a choice dependent upon the existence of inducement agreements and not consistently with the actual convenience for the *Client*.
- b) In *Portfolio management* service, the introduction of *Financial instruments* issued, constituted, promoted or managed by the *Group* (or by a *Relevant Persons*) in the managed assets implies a conflict of interest because FAMI could be encouraged to include inside the managed assets these *Financial instruments* because of the interest of the *Group* (or of the *Relevant Person*), regardless of the actual convenience of this operation for the *Client*.
- c) In *Portfolio management* service, the fact of introducing in the managed assets some *Financial instruments* for which a *Group Company* participated in the *Distribution* implies a conflict of interest because FAMI could be encouraged to include inside the managed assets these *Financial instruments* to protect the interests of the *Group* regardless of the actual convenience of this operation for the *Client*.
- d) In *Portfolio management* service, the fact of introducing in the managed assets some *Financial instruments* issued by companies in which the *Group Intesa Sanpaolo*:
 - o holds a *Qualified Holding* in the capital of the *Issuer* or of the company controlling the *Issuer* or of the major shareholder of the *Issuer* or if the *Issuer* is a *Relevant Persons*;
 - o designates one or more members of the corporate bodies of the *Issuer* or of the company controlling the *Issuer* or of the major shareholder of the *Issuer*;

- participates in corporate agreements signed among the reference shareholders of the *Issuer* or of the parent company of the *Issuer* or of the major shareholder of the *Issuer*;
- has awarded significant lending or is one of the main financiers of the *Issuer* or of the belonging group of the *Issuer*;
- holds the role of *Specialist, Corporate broker or Liquidity provider* in relation to some *Financial instruments* of the *Issuer*;
- provided *Corporate finance services* to the *Issuer* or received a fee for these services in the last twelve months;
- undertook, within one's activity, a *Management position* concerning the *Financial instruments* of the *Issuer* or of the belonging group of the *Issuer*. The existence of the conflict of interest is assessed with reference to the importance of the position undertaken;
- is significantly held by the *Issuer*;
- is an *Issuer* of *Financial instruments* correlated to the *Financial instruments* of the *Issuer*;

implies a conflict of interest because FAMI could be encouraged to include the *Financial instruments* in the managed assets to favour the interests of the *Group* or of the *Relevant Person*.

The inclusion into the managed assets of

- units or shares of *UCIs* constituted, promoted or managed by Investment Managers of the *Group Intesa Sanpaolo* or in which the *Group Intesa Sanpaolo* holds a *Substantial shareholding*;
 - any other instrument or right sold to the managed assets by a *Group's Company* to which FAMI belongs to, or by a *Relevant Person* or by companies financed by *Group's companies* also implies a conflict of interest because the *Company* could be encouraged, in the selection of investments, to favour the interests of the *Group*.
- e) In the service of *Portfolio management* the transfer of *Financial instruments* from a managed account to another implies a conflict of interest because FAMI could be encouraged to the said transfer to favour its relationship with one of its *Clients*.
- f) In *Portfolio management* service, the introduction into the managed asset of *Financial instruments* on which the manager or other *Relevant Persons* involved into the management, hold a *Management position* in one's portfolio, or the transfer of *Financial instruments* from the manager or from the other *Relevant Persons* to the *Client* implies a conflict of interest because the choice of the *Financial instruments* could be done upon the interests of the manager or of the other *Relevant Persons*.
- g) In *Portfolio management* service, the introduction into the managed asset of *Financial instruments* issued by companies in which the manager or other *Relevant Persons* involved into the management hold a *Qualified Holding*, or the transfer of those *Financial instruments* from the manager or from the other *Relevant Persons* involved into the management to the managed asset implies a conflict of interest because the choice of the *Financial instruments* could be done upon the interests of the manager or of the other *Relevant Persons*.
- h) The *Portfolio management* service implies a conflict of interest concerning the process of selection of the counterparts because FAMI could be influenced in choosing the counterparts favouring its own interests or *Group's* interests,

irrespective of the actual convenience of such choices for the *Client*. Situations of conflict of interest in the activity of selection of counterparts can arise, in particular, in case of:

- Choice of the trustee or prime broker among the Group;
 - The use of the Trustee for the provision of services other than custody;
 - execution of *Financing operations through securities* with companies of the Group;
 - advisory provided by companies of the Group or by companies with which FAMI has other business relations (if the fee is paid by the managed assets);
 - management delegations if given to Companies of the Group or to companies with which FAMI has other business relations (if they imply charges up to the managed assets).
- i) In *Portfolio management* service, the exercise on behalf of the *Client* of the right of vote inherent the *Financial instruments* included in the managed asset implies a conflict of interest because FAMI could be encouraged to exercise its rights of vote in the interest of the Group or of the *Relevant Persons* and not in the exclusive interest of the *Clients*.
- j) In *Portfolio management* service, FAMI could find itself in conflict of interest in case of plurality of tasks in the Group companies by directors or managers involved in the management process, because FAMI or these actors could have a financial incentive, or of different nature, to privilege the interests of another company of the Group or of its clients.
- k) In *Portfolio management* service, the assumption by a director or an actor entitled with management delegations of FAMI of a significant role inside the *Issuer / Distributor* of financial instruments, implies a conflict of interest because these actors could be encouraged to invest the assets of the *Client* according to their own interests.
- l) In *Portfolio management* service, the choice of transmitting the orders for execution to a Group Company, or to a *Relevant Person*, implies a conflict of interest because FAMI could do so on the basis of the fees and commission received by the Group (or the *Relevant Person*) as opposed to the best interest of the client.
- m) In *Portfolio management* service the transmission of orders in a systematic way to a single venue, when this venue is managed by a company which is participated by the Group (or by a *Relevant Person*) or when the Group is involved into corporate agreements that rule the company that manages the venue, or on which a Group Company acts as a Market maker, implies a conflict of interest given that the choice of the venue could be driven by the Group's profit (or by the *Relevant Person's* profit) and not on the basis of the best interest of the client;
- n) In *Portfolio management* service, the transmission of orders to a broker from which it receives fees, commissions or non-monetary benefits (inducements), implies a conflict of interest given that the choice of the broker could be driven by the existence of specie agreements in relation to the inducements and not on the basis of the best interest of the client
- o) In *Portfolio management* service, a proposed increase in the management fee of the Collective Investment Scheme (hereinafter "CIS") managed by FAMI could imply a conflict of interest given that FAMI (and its Board of Directors) has a duty to the Shareholders, i.e. the Parent Company, however the Company (and its

Board of Directors) is accountable and responsible for the performance and conduct of the applicable CIS. These differing obligations could sometimes put FAMI (and its Board of Directors) in a difficult position whereby a proposed increase in the management fee of the CIS could be in the interests of the shareholder but not necessarily in the interests of the investors.

2.1.2 ADVISORY

- a) In the *Advisory* service, the recommendation of *Financial instruments* issued, constituted, promoted or managed by the *Group* (or by a *Relevant Person*) implies a conflict of interest because FAMI could be encouraged to recommend these *Financial instruments* due to *Group* interest (or *Relevant Person's*), irrespective of the actual convenience of this operation for the *Client*.
- b) In the *Advisory* service, the recommendation of *Financial instruments* for which a *Group* company participated in the *Distribution* implies a conflict of interest because FAMI could be encouraged to recommend these *Financial instruments* to protect the interest of the *Group* irrespective of the actual convenience of this operation for the *Client*.
- c) In the *Advisory* service, the inclusion into the managed asset of *Financial instruments* issued by companies in which the *Group Intesa Sanpaolo*:
- has a *Substantial shareholding* in the capital of the *Issuer* or of the parent company of the *Issuer* or of the majority shareholder of the *Issuer* or if the *Issuer* is a *Relevant Person*;
 - designates one or more members of corporate bodies of the *Issuer* or of the parent company of the *Issuer* or of the majority shareholder of the *Issuer*;
 - participates in corporate agreements signed among reference shareholders of the *Issuer* or of the parent company of the *Issuer* or of the majority shareholder of the *Issuer*;
 - has granted a significant lending or is one of the main financiers of the *Issuer* or of the belonging group of the *Issuer*;
 - has the role of *Specialist*, *Corporate broker* or *Liquidity provider* concerning some *Financial instruments* of the *Issuer*;
 - provided *Corporate finance services* to the *Issuer* or received a fee for such services in the last twelve months;
 - assumed, inside its own activity, a *Management position* as per the *Financial instruments* of the *Issuer* or of the belonging group of the *Issuer*. The existence of the conflict of interest is assessed with reference to the importance of the position assumed;
 - is significantly held by the *Issuer*;
 - is an *Issuer* of *Financial instruments* correlated to the *Financial instruments* of the *Issuer*;
- implies a conflict of interest because FAMI could be encouraged to recommend the *Financial instruments* to favour the interests of the *Group* or of the *Relevant Person*.

The recommendation of units or shares of *UCIs* which are constituted, promoted or managed by the Investment managers of the *Group Intesa Sanpaolo* or in which the *Group Intesa Sanpaolo* has a *Substantial shareholding* also implies a

conflict of interest because the *Company* could be encouraged, in investment selection, to favour the interests of the *Group*.

- d) In the *Advisory* service, the recommendation of *Financial instruments* for which the manager or other *Relevant Persons* involved in the provision of the advisory service hold a *Management position* in one's portfolio, implies a conflict of interest because the choice of the *Financial instruments* could be influenced by the interests of the manager or of the other *Relevant Persons*.
- e) In the *Advisory* service, the recommendation of *Financial instruments* for which the manager or other *Relevant Persons* involved into the provision of the advisory service hold a *qualified holding*, implies a conflict of interest because the choice of the *Financial instruments* could be influenced by the interests of the manager or of the other *Relevant Persons*.
- f) In *the Advisory* service *FAMI* could find itself in conflict of interest in case of plurality of tasks in the *Group* companies by directors or managers involved in the provision of the advisory service, because *FAMI* or these actors could have a financial incentive, or an incentive of different nature, to privilege the interests of another *Group* company or of its clients.
- g) In *the Advisory* service, when a director, or by another entitled actor, with management delegations of *FAMI*, takes on a significant role in the *Issuer / Distributor* of financial instruments, implies a conflict of interest because these actors could be encouraged to invest the assets of the *Client* according to their own interests.

2.2 GIFTS AND HOSPITALITY OFFERS

The receipt by the *Relevant Persons* of gifts or hospitality offers having a significant value implies a conflict of interest because this could influence the correct provision of the *Services*. *FAMI* is committed to an ethical environment for all employees, executives and Board members. Giving or receiving certain gifts and entertainment can be part of normal business relationships and can, in appropriate circumstances, create goodwill and enhance business relationships. However, it could also give rise to actual or perceived conflicts of interest and could compromise its duty to act in the clients' best interest. *FAMI* issued a "Gift Policy" to provide rules to guide decisions related to gifts and entertainment.

3 GROUP PROCEDURES FOR THE MANAGEMENT OF CONFLICTS OF INTEREST

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

3.1. CHINESE WALL

At *Group* level, a segregation of functions and a logistic separation (so called "Chinese Wall") between the organisational structures which provide *Corporate finance services* to firms (so called "Corporate side") and those providing services and activities to investors or the financial markets (so called "Market side") is assured. This functional and logistic separation allows to assure that:

- the Market side does not have access to *Inside information* known by the Corporate side: in this way the risk that the Market side, within its routine market activity, operates availing of such *Inside information* is avoided;
- the structures of the Market side neither hierarchically refer to the structures in the Corporate side nor can know the operations, being so able to operate, by definition, in an independent way and without conditions: in this way the risk that the Market side, within its market routine activity, is influenced by the interests deriving from the operations ordered by the Corporate side is avoided.

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

3.2 CODE OF CONDUCT and ETHIC CODE

With reference to the conflicts of interest connected to the interests of the *Relevant Persons*, the *Group* adopted internal policies and codes providing for, among other things:

- rules concerning gifts, presents and hospitality offers to corporate representatives and employees;
- principles of behaviour in the relations with clients.

The above mentioned documents represent the measures adopted for the management of the conflicts of interest which could result from personal interests of the *Relevant Persons* or of some of them, whereas expressed.

Moreover, in given circumstances, the *Group* adopts registration procedures of the *Persons connected to a Relevant Person* to monitor those possible situations of conflict of interest highlighted in the first part of this document.

3.3 "GREY MARKET" OPERATIONS

The *Group*, to improve the protection of its own *Clients*, adopted rules aiming at limiting the treatment of bond related *Financial instruments* presenting particular critical characteristics.

4 PROCEDURES IN FAMI FOR THE MANAGEMENT OF THE CONFLICTS OF INTEREST

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

4.1 INVESTMENT PROCESS

4.1.1 PLURALITY OF TASKS

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

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

4.1.2 FINANCIAL INSTRUMENTS SELECTION

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

4.1.3 INVESTMENTS IN FINANCIAL INSTRUMENTS ISSUED OR PLACED BY GROUP'S COMPANIES

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

4.1.4 EXERCISE OF THE VOTING RIGHT

FAMI has adopted a specific procedure for the management of possible situations of conflict of interest resulting from the exercise of the voting right with reference to financial instruments pertaining to managed UCIs, which provides for:

- the decision-taking process followed for the exercise of the vote and of other faculties inherent the managed financial instruments should be appropriately formalised and kept;
- if the vote concerns a company of the belonging *Group* of FAMI the reasons for the decision adopted are also expressed.

4.2 SELECTION OF CONTRACT COUNTERPARTS

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

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

4.3 BEST EXECUTION POLICY

FAMI adopted a "Best Execution Policy" aimed at obtaining the best possible result for the orders forwarded on behalf of the managed UCIs and of clients' portfolios.

With reference to the transactions concerning all types of *Financial instruments*, including units or shares of quoted *UCI* (ETF), whereas negotiated in relevant markets, FAMI considers the achievement of the *best execution* with reference mainly to the *total consideration*, consisting of the price of the financial instrument and of the costs relevant to the execution, also taking the execution promptness and the execution probability according to the characteristics of the negotiated instrument into account.

4.4 BROKER REVIEW PROCESS

FAMI adopted a specific process to evaluate the qualitative aspects of the services received by the counterparties in each area of operation (equity, fixed, FX, etc.).

4.5 INCENTIVES RELATED POLICY

FAMI adopted an "Inducement policy" to manage the inducements given / received within the provision of the *Portfolio management* service.

The Policy describes the criteria to use to certify the legitimacy of the incentives received / given by FAMI, as well as the choices adopted within the corporate policy

of management of the inducements in terms of method approach. The check is performed before receiving any benefit.

The inducements are allowed as long as they:

- aim at increasing the quality of the service offered to the *Client*;
- do not impede the accomplishment by FAMI of the duty to act in the best the interest of the *Client*.

4.6 PERSONAL TRANSACTION POLICY

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

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

4.7 PRODUCT DEVELOPMENT PROCESS

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

4.8 BOARD OF DIRECTORS' CONFLICT OF INTEREST POLICY

The board of Directors has established a documented conflict of interest policy for its members according to the statutory requirements under Section 231 of the Companies Act 2014 and requirements under Section 9.5 of the Corporate Governance Code for Collective Investment Schemes and Management Companies. This Policy is designed to ensure that FAMI meets its obligations to identify and manage conflicts of interest in relation to directors.

4.9 OUTSOURCING POLICY

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

4.10 TRAINING

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

FAMI believes that a strong firm culture is fundamental to succeed a high level of conflict of interest's aware environment.

5 REPORTING ON CONFLICTS OF INTEREST AND RELEVANT REGISTER

5.1 REPORTING ON CONFLICTS OF INTEREST

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

FAMI shall report any situations referred above to the Clients by durable medium giving reasons for the decision.

5.2 REGISTRER OF THE CONFLICTS OF INTEREST

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

6 ANNEX I: GLOSSARY

Ancillary services

These refer to the following:

- a) Custodianship and administration of financial instruments and related ancillary services;
- b) Safekeeping;
- c) Granting of loans to investors to allow them to carry out a transaction in financial instruments involving the party granting the loan;
- d) Advice to undertakings on capital structure, industrial strategy and related matters, and advice and services relating to mergers and the purchase of undertakings;
- e) Services related to the issue or placement of financial instruments, including the organisation and setting up of underwriting and placement syndicates;
- f) Investment research, financial analysis or other forms of general recommendation relating to transactions in financial instruments;
- g) foreign exchange trading linked to the provision of investment services;
- h) investment services and activities, as well as previously mentioned ancillary services linked to the provision of investment or ancillary services on derivatives.

Broker/Dealer

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

Collective investment undertakings

These refer to mutual investment funds and SICAVs.

Collective portfolio management

This refers to the service provided by the management of Collective Investment Undertakings and related risks.

Company in which the Group has a Relevant Stake

This refers to a company in which the *Group* holds a *Relevant Stake*.

Confidential information

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

- confidential information related to *Issuers* falling within the scope of Community regulations governing market abuse that – even though not having all the characteristics, in terms of precision and/or price sensitivity to be defined as *Inside information* pursuant to art. 7 of the *MAR* – is relevant as it may in any case give rise to conflict-of-interest situations;
- confidential information that – even though having all the characteristics of precision and/or price sensitivity to be considered as *Inside Information* under art. 7 of the *MAR* – cannot be considered to be *Inside information* as it concerns *Issuers* that do not fall within the scope of application of the Community provisions on market abuse, but for which the consequences in terms of sanctions in case of unlawful use could be comparable to what is set out under the *MAR* and the *Consolidated Law on Finance* with respect to market abuse¹ 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.

¹ For example, the information regarding issuers listed in countries in the *European Union*: it is understood that the abuse of information regarding this type of issuers, in addition to pertaining to the cases of conflict of interest, could be punished by the regulations of the country where the relevant issuers are listed (e.g. United States, Canada, Australia, Japan), with afflictive legislation that is comparable to the one applied in Italy to the abuse of *Inside information*.

Corporate officers

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

Customer (or Customers)

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

Dealing on own account

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

Durable medium

This refers to any instrument which enables the *Customer* to store information addressed personally to him in a way accessible for future reference for an adequate period of time and which allows the unchanged reproduction of the information stored.

Eligible counterparty

This refers to *Customers* that possess the requisites prescribed by art. 6, paragraph 2-*quater*, letter d) of the *Consolidated Law on Finance*.

European Union

A supranational organisation 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.

Execution venue

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

Financial Instruments

They are intended as:

- 1) transferable securities, or categories of securities which may be traded on the capital markets, such as for example:
 - a. company shares and other securities similar to shares of companies, partnerships or other subjects and deposit certificates;
 - b. bonds and other debt securities, including the relevant deposit certificates;
 - c. any other normally traded security which allows to purchase or sell the securities indicated in the points above;
 - d. any other security which requires settlement in cash calculated by reference to the securities indicated in the points above, currencies, interest rates, yields, commodities, indices or measures;
- 2) money market instruments, or categories of securities which are normally traded on the money market, such as for example:
 - a. Treasury bonds;
 - b. deposit certificates;
 - c. commercial bills;
- 3) units of a Collective Investment Undertaking;
- 4) option contracts, futures, swaps, forward rate agreements and other derivative contracts related to securities, currencies, interest rates or yields, or to other derivative instruments, financial indices or financial measures which can be settled by physical delivery of the underlying or by paying the spread in cash;
- 5) option contracts, futures, swaps, forward rate agreements and other derivative contracts related to commodities which are settled by paying the spread in cash or

- may be settled in cash at the option of one of the parties, excluding those cases where such option is the result of a breach or other event which causes the termination of the contract;
- 6) option contracts, futures, swaps and other derivatives on commodities, which can be settled by delivering the underlying asset and which are traded on a *Regulated market* and/or through *Multilateral Trading Facilities*;
 - 7) option contracts, futures, swaps, forward contracts and other derivatives on commodities which can be settled by delivering the underlying asset, other than those listed in point 6 which have no commercial purpose, and which have the same characteristics of other derivative *Financial Instruments*, considering *inter alia*, if they are offset and executed through recognised clearing houses or if they are subject to regular margin calls;
 - 8) derivative instruments for transferring credit risk;
 - 9) financial contracts for differences ("CFDs");
 - 10) option contracts, futures, swaps, forward rate agreements and other derivative contracts related to weather variables, transport tariffs, issue quotas, inflation rates or other official economic statistics which are settled by paying the spreads in cash or may be settled in cash at the option of one of the parties, excluding those cases where such right derives from a breach or other event that causes the termination of the contract, as well as other derivative contracts related to assets, rights, obligations, indices and measures, other than those indicated in the paragraphs above, having the same characteristics as other derivative *Financial Instruments*, considering *inter alia*, if they are traded on a *Regulated Market* or on *Multilateral Trading Facilities*, if they are offset and executed through recognised clearing houses or if they are subject to regular margin calls.

Financial Instruments listed or pending listing in the European Union

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

Related Financial Instrument

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

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

Grey Market

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

Inside information

The following is intended:

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

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

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

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

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

Insider List

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

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

Investment services and activities (or Investment services)

These refer to the following services when they concern *Financial Instruments*:

- a) Dealing on own account;
- b) Execution of orders on behalf of customers;
- c) Subscription and/or placement with firm commitment underwriting or standby commitment to the issuer;
- c-bis) Placement without firm or standby commitment to the issuer;
- d) Portfolio management;
- e) reception and transmission of orders (including arrangements to bring together two or more investors thereby bringing about a transaction between them);
- f) Investment advice;
- g) Management of multilateral trading facilities.

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

Investor

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

Issuer

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

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.

Market Maker

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

MiFID Directive

The following is intended:

- Directive 2004/39/EC of the European Parliament and of the Council, updated with the amendments set by Directive no. 78 of 2010 of the European Union, of 21 April 2004, relating to markets of Financial Instruments, which amends Directives 85/611/EEC and 93/6/EEC of the Council and Directive 2000/12/EC of the European Parliament and of the Council and which repeals Directive 93/22/EEC of the Council;
- Directive 2006/73/EC of 10 August 2006 on implementing Directive 2004/39/EC as regards the organisational requirements and operating conditions for investment firms and the definitions of certain terms;

- EC Regulation no. 1287 of 10 August 2006.

MiFID Regulation

They are intended as:

- Directive 2004/39/EC of the European Parliament and of the Council, updated with the amendments set by Directive no. 78 of 2010 of the European Union, of 21 April 2004, relating to markets of *Financial Instruments*, which amends Directives 85/611/EEC and 93/6/EEC of the Council and Directive 2000/12/EC of the European Parliament and of the Council and which repeals Directive 93/22/EEC of the Council;
 - Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards the organisational requirements and operating conditions for investment firms and the definitions of certain terms;
 - EC Regulation no. 1287 of 10 August 2008;
- and related national implementation provisions.

Multilateral Trading Facilities (MTF)

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

Organised Trading Facilities (OTF)²

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

Other information that recommends or advises on an investment strategy

The following information is intended:

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

Person

This refers to either a natural or a legal person.

Persons closely related to the Relevant Person

These refer to one or more natural or legal persons linked to a *Relevant Person*:

- a) through a shareholding or through 20% or more of the voting rights or of the share capital of a company either directly or through a controlling relationship;
- b) through a controlling relationship, that is the relationship existing between a parent undertaking and its subsidiary, in all the cases listed below, or through a similar relationship between a natural or a legal person and a business undertaking; the subsidiary of a subsidiary is also considered a subsidiary of the parent undertaking which heads those companies.

A controlling relationship between a parent undertaking and a subsidiary exists when a business undertaking (the parent undertaking):

- a) has a majority of the shareholders' or members' voting rights in another undertaking (a subsidiary undertaking); or
- b) has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another undertaking (a subsidiary undertaking) and is at the same time a shareholder in or member of that undertaking; or

² The *Organised Trading Facilities* (OTFs) were introduced by Directive 2014/65/EU (MIFID II).

- c) has the right to exercise dominant influence over an undertaking (a subsidiary undertaking) of which it is a shareholder or member pursuant to a contract entered into with that undertaking or to a provision in its Articles of Association, where the law governing that subsidiary permits its being subject to such contracts or provisions of the Articles of Association; or
- d) is a shareholder in or member of an undertaking and:
 - by virtue of the exercise of its voting rights alone, the majority of the members of the management or supervisory body of said enterprise (subsidiary) have been appointed to office by the parent during the current and previous years and up to the preparation of the consolidated accounts; or
 - under an agreement with other shareholders or members of said enterprise (subsidiary), it alone controls the majority of the voting rights of the shareholders or members of the investee enterprise; or
- e) has a shareholding in another business undertaking (a subsidiary undertaking), and:
 - actually exercises a dominant influence over its subsidiary; or
 - the company and its subsidiary are managed on a unified basis by the parent undertaking.

A close relationship is also represented by the situation where two or more legal persons are related to the same *Person* by a controlling relationship on a long-term basis.

Persons related to a Relevant Person

They refer to:

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

Portfolio management

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

Reception and transmission of orders

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

Relevant Persons

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

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

Systematic Internaliser

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

7 ANNEX II : GUIDELINES FOR MANAGING CONFLICTS OF INTEREST

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

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

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

2. Investment in financial instruments placed³ by Group Companies.

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

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

³ If a Group company is part of the underwriting syndicate, then the financial instrument is deemed to be effectively acquired by the Group company

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

	DEBT SECURITIES	<p>This is allowed up to the maximum limit of 3% of the issuing, following a written communication from the Portfolio Manager, via the Head of Desk, to the Head of Investments.</p> <p>For investments greater than 3% of the issuing and up to the maximum limit of 7% of the issuing, a written request shall be submitted from the Portfolio Manager, via the Head of Desk, to the Head of Investments. The Head of Investments is asked to consider and, if thought fit, to approve the request. In case of absence of the Head of Investments, authorisation is assessed by the Managing Director.</p> <p>At the time of subscription, the overall spread offered by the security must be consistent with that of other issuers with similar ratings and duration that belong to the same sector.</p> <p>The evidence to support the investment decision must be adequately traceable.</p> <p>It is not permitted to subscribe financial instruments which are placed exclusively by a Group Company.</p>
	STRUCTURED SECURITIES AND DERIVATIVE INSTRUMENTS	<p>Only accepted provided that FAMI has control tools and systems which allow for independent assessment of the single financial instrument in order to avoid a situation where the price paid does not match the fair value.</p> <p>Investment in structured financial instruments and derivative instruments (e.g. certificates) which could replace direct investment in financial instruments, after a written request from the manager in accordance with the Head of Desk, is authorised by the Head of Investments depending on which area is responsible for the product acquiring the financial instrument issued by group companies. In case of absence of the Head of Investments, authorisation is given by the Managing Director.</p>