

Document type: *Policy (v.1)*

Conflicts of Interest Management Policy

ABSTRACT

Responsible Structure: Compliance & AFC

This Policy illustrates the approach adopted by illimity Bank S.p.A. and the companies of the Group for the correct identification of circumstances that may generate an actual or potential conflict of interest, which is relevant on the basis of the current regulatory framework and market best practices.

In particular, the document identifies the main cases of such conflict and describes the single process for their identification and assessment, as well as the measures necessary for their prevention and management. Furthermore, it also clarifies the roles and responsibilities of the various functions involved. In particular, the document:

- identifies, in a general way, the relevant persons for the purposes of identifying conflicts of interest, as well as the different types of conflict that may arise between them;
- sets out the criteria for identifying concrete situations that may give rise to a conflict of interest;
- defines the organisational and control measures aimed at preventing, managing and monitoring conflicts of interest;
- determines the activities to be carried out if the safeguards and measures adopted are not sufficient to neutralise the effects of the conflicts detected.

The guidelines contained in this document apply to all the Group Companies subject to the management and coordination of the Parent Company, for the parts falling under its competence and depending on the nature of the activity carried out by the individual Company, without prejudice to the applicability of the internal regulations adopted by the Group Companies subject to specific sector regulations on the subject (e.g. Asset Management Companies).

It should be noted that, in compliance with the regulatory framework in force, the Parent Company – especially in its capacity as a listed company - is required to comply, at both individual and consolidated level, with regulatory provisions imposing the implementation of processes aimed at the prevention, identification and management of various cases of conflict of interest, from those related to top management to those pertaining to the most significant transactions or activities.

Therefore, both at the Bank level and at the level of individual subsidiaries, further specific regulations are envisaged to protect the main regulatory obligations, including those relating to conflicts of interest within the framework of collective asset management activities through specific internal regulations adopted by illimity SGR S.p.A., whose principles are consistent with the structure of this Policy.

Taking into account the peculiar hypotheses identified and regulated by more specific internal regulations, this Policy therefore governs all residual hypotheses not already covered by other regulations, also identified and regulated on a conventional basis in the absence of specific rules in this regard.

The Policy therefore identifies the main types of conflict relevant to the Group, identified in view of the nature of the business activities carried out by the Bank and its subsidiaries and the related organisational and procedural arrangements adopted:

- I. The "**TOP Col**" case type concerns all possible conflicts of interest involving corporate officers of the Bank or other Group Companies, in order to preserve their independence of judgement;
- II. the "**ORGA Col**" case type concerns potential conflicts of interest that may arise from the allocation of tasks and responsibilities at an individual and organisational structure level, both within the Bank and/or individual subsidiary and with respect to the various Group companies. In this context, particular attention is paid to conflicts that may arise within the most complex areas of activity within the Group;
- III. the "**OBI Col**" (Outside Business Interests) case concerns personal interests of Group employees which are external to the work environment and which may influence individual transactions related to a business of the Bank and/or of its subsidiaries. This case type also applies to Executives with Strategic Responsibilities for all cases not already absorbed by the "TOP Col" case type;
- IV. the "**Business Col**" case type refers to the various businesses of the Bank and/or of Group Companies that can be defined as "overlapping", in that it may happen that certain services and products, even if segregated in order to ensure the independence of Group companies, may be offered to the same customers in the abstract, presenting themselves as substitutes (e.g. credit or

issue of debt securities to finance an SME expansion plan). Such situations, where customers may be given the perception of an uncoordinated action of the Group, should therefore be prevented;

- V. the “**Contract Col**” covers potential conflicts that may arise when the Bank or other Group companies sign contracts with third parties;
- VI. and the “**MiFID Col**” is specifically related to the provision of investment and ancillary services (as governed by MiFID II-derived legislation).

For the specific cases of conflicts of interest relevant to the Group, the Policy defines a single management process, centred on their prompt detection by the parties bearing the conflict (or in any case affected by it), as well as their prompt communication to the corporate function in charge of identifying the most appropriate mitigation/management measures to mitigate their consequences. These mitigation/management measures are identified on the basis of the specific characteristics of the individual cases of relevant conflict and - where appropriate - after involving all the players involved, in order to always guarantee the appropriate management of all conflict situations that potentially or actually concern the Bank and/or Group companies.

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