

## **CONFLICT OF INTEREST MANAGEMENT POLICY &**

### **COVEA FINANCE Code of Ethics**

#### **INTRODUCTION**

**Covéa Finance, located at 8-12 rue Boissy d'Anglas - 75008 Paris, is a portfolio management company registered with the French Financial Markets Authority (AMF) since 21 February 1997 (Authorisation No. GP 97 007).**

Covéa Finance is a member of AFG - the French Financial Management Association, in accordance with French regulations.

In this context, Covéa Finance ensures the proper implementation of the AMF rules of good conduct as well as the ethical regulations prescribed by the AFG.

According to its accreditation package and current internal procedures, Covéa Finance is committed to respecting this text that defines its code of ethics and company policy on preventing the risk of conflicts of interest.

#### **PRINCIPLE No. 1**

**Covéa Finance is committed to providing service adapted to the needs of its customers.**

##### **Article 1.1.**

Covéa Finance will seek to ascertain the situation and objectives of its customers.

##### **Article 1.2.**

The duty to inform the customer includes warning against the risks involved.

##### **Article 1.3.**

Covéa Finance's obligations towards its customers are laid down as clearly as possible.

Covéa Finance informs its customers of the company's general terms and conditions as well as the prices it charges for transactions, on the nature and prices of the various services they provide and on the reciprocal commitments between Covéa Finance and its customers.

In compliance with French regulations, these conditions and commitments are subject to an agreement between Covéa Finance and its customers, which takes the form of a management mandate or a service contract.

**PRINCIPLE No. 2**

**Covéa Finance has the necessary means to carry out the proper performance of the services it offers to its customers.**

**Article 2.1.**

Covéa Finance operates in accordance with the integrity, transparency and security of the financial markets.

**Article 2.2.**

Covéa Finance ensures its employees are competent and knowledgeable.

**Article 2.3.**

Covéa Finance provides its employees the resources and technical means consistent with their business activity.

**Article 2.4.**

Covéa Finance ensures an adequate internal organisation that provides for:

- a) justifying the origin, transmission and execution of orders;
- b) ensuring the accuracy of the documents sent to the customer by both Covéa Finance and by the depositary;
- c) and verifying compliance with all aspects of the ethical requirements of the customer relationship.

**Article 2.5.**

Covéa Finance will abstain from investing in any asset class or market that it deems too risky.

**PRINCIPLE No. 3**

**Covéa Finance will seek to obtain from its financial intermediaries proper execution and order processing.**

**Article 3.1.**

All purchases and sales of financial instruments on behalf of a mandated portfolio or mutual fund will be made on the financial markets according to market conditions.

**Article 3.2.**

Covéa Finance aims to execute customer orders within the shortest timeframe possible - from the moment the order is taken to the recording of the transaction by the depositary.

**Article 3.3.**

The detailed allocation of a global order will be immediately transmitted to the depositary, either at the time the order is placed, or at the latest once Covéa Finance is informed the trade has gone through, irrespective of the market involved. No reallocation of transactions is permitted after the event.

**Article 3.4.**

If an order is only partially filled and in the absence of proportionate reduction, Covéa Finance will provide for a justifiable allocation of the securities among its customers. If during the same trading session, orders are filled at various prices, an average pricing system is preferred.

**Article 3.5.**

From duplicate documents, Covéa Finance verifies those sent by the depository to the customers.

**Article 3.6.**

Covéa Finance respects and contributes to ensuring that all stakeholders respect the transparency and security of the markets.

**Article 3.7.**

In its ancillary business of transmitting specific non-discretionary orders at the request of a client, Covéa Finance will only execute the order if the customer's decision is clear and emphatic.

If the customer's order is placed by phone, even if the conversation is recorded, the customer's written confirmation is immediately and systematically required.

**Article 3.8.**

Covéa Finance's selection policy for its financial intermediaries is re-evaluated semi-annually based on a peer review using the following criteria: quality of confirmations, settlements, and delivery, the financial and legal status of the intermediary, the quality of their research support service and the intermediary's legal compliance.

No transaction may be carried out with a financial intermediary that has not been previously approved through this process.

**PRINCIPLE No. 4**

**Covéa Finance establishes rules for its employees' personal transactions as well as for its own proprietary trading.**

**Article 4.1.**

Covéa Finance lays down rules for the personal market transactions of its employees, including top management. These rules are specified in an individual ethical commitment signed by each employee, which is then appended to their employment contract.

They rely, in particular, on the following principles:

- 1) Covéa Finance officers and employees must be able to justify their personal transactions in the financial markets to the compliance officer and supervisory authorities; these transactions may only be handled by an external intermediary such as a Bank or a Broker.

- 2) To allow Covéa Finance to monitor such transactions, all employees undertake to inform their employer, either systematically or upon request, of the details of their portfolio and transactions carried out.
- 3) The employer is required to maintain the confidentiality of this information.
- 4) The officers and employees must refrain from making round trip trades for their own account on the same day.

**Article 4.2.**

In order to protect the financial strength of Covéa Finance, particularly its regulated equity capital, the company will refrain from making any speculative investments for its own account. Covéa Finance prefers making investments with a low risk of loss of capital.

**PRINCIPLE No. 5**

**Covéa Finance endeavours to prevent conflicts of interest and, if necessary, to resolve them equitably.**

**Article 5.1.**

Covéa Finance has set up an organisation that reduces the risk of conflicts of interest, particularly for orders coming from either the Company, its directors, or its managers.

In case of a conflict of interest, Covéa Finance is always prepared to justify its decisions to third parties.

**Article 5.2.**

If a conflict occurs between Covéa Finance and its customer or between Covéa Group's discretionary accounts and external customers (including mutual fund holders), as a priority it is resolved in the interest of the external customer.

**Article 5.3.**

The Company's proprietary trading is specially identified and isolated from customer orders.

**Article 5.4.**

In the exercise of their functions, account managers must always respect the obligation to favour the client's interest first.

- a) The choice of financial intermediaries is made independently and with respect for pluralism.
- b) The Company freely exercises voting rights if they are duly authorised by its customers.

**Article 5.5.**

Account managers' terms of remuneration must not run counter to the primacy of the client's interest.

Any financial incentive, individual or collective, for the managers must be based on elements relating to the quality of management considered in the sole interest of the mandated customer or the unitholder and must not lead to taking risks contradictory to the customers' interest.

**Article 5.6.**

Within its portfolio management activity, Covéa Finance ensures that the frequency of customer transactions is justified solely by the search for returns consistent with the objectives of the mandate or the prospectus of the fund.

**Article 5.7.**

Covéa Finance provides the maximum amount of transparency as to the costs incurred by customers, directly bearing all ancillary costs of the portfolio management (custodian fees, appraiser costs, and statutory auditor's expenses, etc.) and the Company does not use performance fees.

**Article 5.8.**

Interim pricing agreements applied to Covéa Finance customers always take into account the interests of the client first.

**Article 5.9.**

Retrocessions negotiated by Covéa Finance are paid straight to the fund and therefore directly benefit customers.

And generally, the Company ensures that the customer is not subjected to extra costs.

**Article 5.10.**

Covéa Finance takes the necessary steps to identify situations that may create a conflict of interest, particularly in the following situations:

- a) A service provider or an individual is likely to make a financial gain or avoid a financial loss at the customer's expense;
- b) A service provider or an individual has an interest in the outcome of a service provided to the customer or transaction carried out on their behalf that goes against the client's interest in the outcome;
- c) A service provider or an individual has a financial incentive or other reasons to favour the interests of another client or group of clients over the interests of the client to whom the service is being provided;
- d) A service provider or an individual is in the same business as the customer;
- e) A service provider or an individual receives or will receive from a person other than the customer a benefit linked to the service provided to the

customer in any form whatsoever, other than the normal commission or fees charged for this service.

**Article 5.11.**

Any situations or events likely to generate a conflict of interest, as well as the methods used to deal with such a situation, are listed in a conflicts of interest register.

**PRINCIPLE No. 6**

**Covéa Finance seeks to prevent market abuse**

**Article 6.1.**

All Covéa Finance employees agree to abstain from using inside information to buy or sell, or even try to buy or sell, for their own account or on behalf of third parties, either directly or indirectly, any financial instruments to which that information relates or any financial instruments from which those instruments are derived.

**Article 6.2.**

All Covéa Finance employees agree, both personally and professionally, not to engage in price manipulation.

**PRINCIPLE No. 7**

**Covéa Finance scrupulously respects professional secrecy.**

**Article 7.1.**

The Company's internal regulations and the ethical commitment of each employee explicitly mention this professional secrecy obligation.

**Article 7.2.**

Covéa Finance takes the necessary organisational measures to prevent confidential information from circulating within its place of business.

**PRINCIPLE No. 8**

**Covéa Finance complies with the rules of courtesy and respect for others.**

**Article 8.1.**

Covéa Finance agrees not to engage in any act of unfair competition or discredit towards its colleagues.

**Article 8.2.**

When reporting its comparative management performance, Covéa Finance complies with the usual precautions - specifying in particular the information source, the calculation method, the period of performance measurements, and the non-recognition of income.

**PRINCIPLE No. 9****Covéa Finance has a control and risk management system****Article 9.1.**

Covéa Finance has a permanent risk monitoring system associated with open positions.

**Article 9.2.**

Covéa Finance has set up an organisation and procedures compliant with the provisions relating to the fight against money laundering.

**Article 9.3.**

Covéa Finance maintains the resources, organisation and internal control and monitoring procedures in keeping with the activities it carries out.

**Article 9.4.**

The internal control procedures cover all company activity, as well as the services provided by intermediaries, custodians and assignees, ensuring compliance with the Company's code of ethics.

Ghislaine BAILLY  
Chairwoman  
Covéa Finance