

Conflict of Interest Prevention  
and Management Policy and  
Code of Ethics (good conduct)  
of  
Covéa Finance SAS

Covéa Finance SAS, a portfolio management company approved by the AMF (Autorité des Marchés Financiers [French Financial Markets Authority]) since 21 February 1997 under authorisation No. GP 97 007, carries out the following activities:

- portfolio management through mandates for institutional customers,
- portfolio management through publicly available UCITS,
- portfolio management through publicly available AIFs,
- investment research and financial analysis for our management teams,
- investment advice on an ancillary basis,
- marketing of UCIs managed by Covéa Finance,
- administrative and accounting management of the financial investments of Covéa Group companies.

In carrying out these various activities, Covéa Finance may encounter potential or actual conflicts of interest.

It is not unusual for such situations to arise. Covéa Finance's obligation is to limit them, identify them, manage them and, where applicable, report them to the competent authorities in accordance with regulations and its code of ethics (good conduct).

This Conflict of Interest Prevention and Management Policy describes the measures implemented to prevent and manage conflicts of interest and complies with the following provisions:

- European Regulation No. 596/2014 of 16 April 2014 on market abuse (MAR),
- European Directive No. 2014/65 of 15 May 2014 on Markets in Financial Instruments (MiFID II),
- AMF General Regulation, Book III, Chapter IV, on the rules of good conduct of investment service providers and portfolio management companies.

In addition, in accordance with French regulations, Covéa Finance is a member of a professional association, the AFG (Association Française de la Gestion financière [French Financial Management Association]).

In this context, Covéa Finance ensures the proper application of the regulations of good conduct, codes of ethics and the good governance guide issued by the AFG.

In this respect, major principles such as the duty of information and transparency towards customers, conflict of interest prevention and management, equal treatment of customers (between principals, between UCI holders, between principal and UCI holders) and the supervision of employees' personal transactions are bound to the precedence of the customer's interest and the integrity of the market, which cover all of the management company's activities.

Covéa Finance also complies with the system applicable to personal transactions, which requires transparency from its employees in accordance with the procedures described in the company's internal regulations and the ethical commitment signed by each employee and manager.

In accordance with its accreditation file and the internal procedures in force, Covéa Finance undertakes to comply with this text defining its code of ethics and its conflict of interest management policy.

Among the major topics that Covéa Finance's ICCOs (Internal Control and Compliance Officers) are required to monitor, in particular, are conflict of interest prevention and management and monitoring compliance with the company's ethical commitments.

## **1- Definitions**

- **Definition of an interest**

An interest is the source of an advantage of any kind, whether tangible or intangible, professional, commercial, financial or personal.

- **Definition of a conflict of interest**

A conflict of interest is a situation in which a manager, an employee of the management company, a customer or the management company itself has a tangible, professional, commercial or financial interest that competes with the interests of one or more customers (principal or UCI holder), which must take precedence.

- **Definition of abuse of interest**

Abuse of interest is a situation in which the result of a transaction carried out by Covéa Finance or any of its managers or employees poses a significant disadvantage to a customer's interests and, conversely, a significant advantage to Covéa Finance, an employee, another customer or any other third party, without the other parties being informed of it or in violation of this Policy.

## **2- Criteria for identifying and detecting potential sources of conflicts of interest**

Covéa Finance takes the necessary measures to detect situations likely to create a conflict of interest between Covéa Finance and/or its employees with any service provider, supplier or customer, or between two customers (mandates and/or UCI), and in particular in the following situations:

- The collection of commissions or benefits that may bias the advice or service provided;
- Acceptance by our service providers or customers of gifts and/or benefits and/or invitations likely to compromise the integrity of Covéa Finance or its employees;
- Offering our service providers and/or distributors and/or customers gifts and/or benefits and/or invitations likely to compromise their integrity;
- Competing with the interests of a customer (mandate and/or UCI) over a transaction for one's own account;
- Being incited, for financial or other reasons, to favour the interests of another customer or group of customers over the interests of the customer to whom the service is provided;
- Receiving from a person other than the customer a benefit in relation to the service provided to the customer, in any form whatsoever, apart from the commission or charges normally invoiced by the company for that service;
- Any situation likely to generate a financial gain or avoid a financial loss for Covéa Finance at the customer's expense;
- Carrying out the same activity as the customer;
- Any other situation resulting in an interest that is different from the customer's interest.

## **3- Organisational framework for the prevention of conflicts of interest**

### **3.1. Covéa Finance adopts an organisation that reduces the risk of conflicts of interest**

Covéa Finance has internal control and monitoring resources, organisation and procedures aligned with the activities carried out.

Covéa Finance has an organisation and procedures that comply with the provisions on anti-money laundering and combating the financing of terrorism.

Covéa Finance ensures that its employees are competent and informed through AMF certification and by providing regular training programmes.

Covéa Finance endeavours to understand its customers' situation and objectives. As such, the duty to inform the customer includes warning them against the risks involved.

Covéa Finance's obligations towards its customer are set as clearly as possible. To achieve this, Covéa Finance informs its customer of the reciprocal commitments, the general terms and conditions, and its prices.

These conditions and commitments are covered by an agreement between Covéa Finance and its customer, and must take the form of a management mandate, a UCI prospectus or a service agreement, in accordance with French regulations.

Covéa Finance's orders for its own account are isolated from orders for customers and are specifically identifiable.

In performing their duties, managers must at all times comply with the obligation to prioritise the customer's interest,

- a) Intermediaries are chosen independently in compliance with the approved intermediary ("referencing") policy, the best selection of execution intermediaries and the best execution policy.
- b) Voting rights are freely exercised by the Company if it is duly authorised by its customers in accordance with its voting policy.

The policies for approved intermediaries, best selection of intermediaries and best execution are reviewed at least annually. This assessment is based on a collective discussion of the following criteria: the quality of transaction processing, the quality of execution, the financial and moral quality of the intermediary and the compliance of the legal and ethical documents.

No transaction may be carried out with a financial intermediary that has not been previously authorised as part of this process.

Covéa Finance endeavours to prevent market abuse. All relevant Covéa Finance employees are regularly trained in how to detect suspected market abuses, how to prevent them and how to report them.

Covéa Finance takes the necessary organisational measures, following the "Chinese wall" model, to avoid the circulation of confidential or insider information within its institution.

All Covéa Finance employees agree to refrain from using the insider information that they possess through buying or selling, or trying to buy or sell, for their own account or for the account of others, either directly or indirectly, the financial instruments to which this information refers or the financial instruments to which they are related.

All Covéa Finance employees agree to refrain from manipulating prices both in a personal and a professional capacity.

The Company's internal regulations and the ethical commitment applicable to each employee and service provider working on Covéa Finance's premises explicitly state the rights and obligations that employees and service providers must respect, especially the obligations pertaining to professional secrecy.

Covéa Finance establishes rules for the personal transactions of its employees, as well as for its own investment transactions. Covéa Finance lays down rules for the personal transactions of the professionals it employs (including managers). These rules are specified in an individual ethical commitment signed by each employee and attached to their employment contract.

Covéa Finance has set up a system based on policies and procedures governing its relations with third parties to prevent the risk of corruption by or for the benefit of a third party in a decision to select a service or a purchase. A procedure has also been set up to record and handle suspicions of corruption, or serious and blatant violation of a law or regulation reported by a whistle-blower. These elements are developed in Covéa Finance's anti-corruption policy.

The Remuneration policy set up by Covéa Finance ensures that the conditions of remuneration of risk managers and risk takers do not contain terms contrary to the precedence of the customer's interest.

In its management activities, Covéa Finance ensures that the frequency of transactions on behalf of each customer is solely motivated by the

search for performance in line with the objectives of the mandate or the UCI prospectus.

Covéa Finance ensures the greatest possible transparency on the costs borne by its customers by directly paying all costs associated with portfolio management (custody, valuation, auditing, research, etc.) and does not charge any outperformance fees.

### **3.2. Resolution of conflict of interest situations**

If a conflict of interest situation arises between Covéa Finance and its customer, or between customers (mandates and/or UCIs or between UCIs), Covéa Finance will inform its customers of the origin and nature of the conflict of interest and it will be resolved as a priority in the interest of the customer external to the Group.

This conflict of interest situation is systematically resolved under the validation and control of one of the Internal Control and Compliance Officers and is recorded in a special register.

### **3.3. Conflict of Interest Register**

Any situation or event likely to generate a risk of conflict of interest must be reported to the Covéa Finance Internal Control and Compliance Officers, who centralise them in a Conflict of Interest Register, including:

- The executive positions held by our employees in legal entities outside the Covéa Group;
- Family connections existing between our employees and third parties with whom we are dealing (customers, distributors, brokers, service providers, suppliers, etc.);
- Gifts and invitations to shows, seminars, trips offered by external third parties (intermediaries, bankers, valuers, custodians, management companies, suppliers, IT service providers, customers, distributors, etc.);
- Benefits in kind (subscriptions, provision of technical tools, portfolio analysis, etc.) offered by the same external third parties;
- Gifts and invitations to shows, seminars or travel given by Covéa Finance to external third parties (distributors, customers, service providers, etc.);
- Any dispensation regarding the remuneration of external third parties or the invoicing of customers.

- Any request for dispensation from our selection procedures by a service provider, partner or supplier (intermediaries, portfolio management company, custodians, valuers, suppliers, service providers, etc.);
- Any modification of pre-assignment of a simple or aggregated order;
- Orders in conflict of interest between the various portfolios (simultaneous purchase and sale, exercising of divergent voting rights between customers, securities transactions, etc.);
- Errors of execution or payment/delivery that require activation of Covéa Finance's error account;
- Other transaction processing incidents requiring the intervention of middle office employees and resulting in an incident report being drawn up;
- Any request or instruction from a customer likely to compromise the independence of Covéa Finance's management;

Regarding the unlisted investment activity, the sources identified in terms of conflict of interest between portfolios are valuation in the event of a transfer of interest, co-investment between managed funds, co-investment between managed funds and/or the management company/members of the management company, investment in companies in which the employee has interests or interest links, etc.

The procedures used to manage these situations are also included in the Conflict of Interest Register.

Personal transactions (on securities account, stock purchase plan, etc.) of employees are specifically declared to the Internal Control and Compliance Officers in charge of Permanent Control in accordance with the ethical commitment signed by each employee.

If a conflict of interest situation leads to a suspicion of market abuse, one of the Internal Control and Compliance Officers makes a confidential report to the competent authorities.

Failing this, any employee wishing to notify a potential breach for which they have specific and private information may contact the whistle-blower department at the AMF, see inset below.

Contact the department in charge of whistle-blowers by email: [lanceurdalerte@amf-france.org](mailto:lanceurdalerte@amf-france.org), by post at "AMF Direction des Affaires juridique - 17 place de la Bourse - 75082 Paris Cedex 02", indicating the word "CONFIDENTIAL" on the envelope, or by telephone: +33 1 53 45 64 44 from 9 am to 12 pm and 2 pm to 5 pm

To ensure confidentiality, you are advised to use your personal email service or your personal phone rather than those of your employer.