

DIDENDUM, EAF, S.L.U.

CONFLICT OF INTEREST MANAGEMENT POLICY

DIDENDUM, EAF, S.L.U. (in advance the “EAF” or the “Company”)

Approved by the Internal Control Organism as of 30/03/2015

DIDENDUM, EAF, S.L.U.

1. Definitions, objective and general principles.

1.1. Definitions

A conflict of interest may arise in the event of providing investment or auxiliary services, or both if it may go against the client's interests.

In order to identify a conflict of interest the minimum criteria to consider is whether or not the advising company or a "competent person" (as per the definition later in this chapter), or a person directly or indirectly linked with a managing role to the advising company is one of the following situations (either by providing investment or auxiliary services or any other reason):

- a) The company or person in hand could either benefit from a financial profit or avoid a financial loss, at the expense of the client;
- b) The company or person in hand's interest are any other than those of the clients in the result of a service provided or a transaction done by the client;
- c) The company or person in hand has a financial or any other kind of incentive for the benefit of a different client or group of clients with are different than those of the original client;
- d) The company or person in hand is in the same line of activity as the client
- e) The company or person in hand is to receive or has received a payment in the form of cash, goods or services in relation of the service provided to the client in addition to the fee or normal retribution for this service.

The definition of "competent person" shall be as follows:

- a) The administrators, partners (or equivalent employee), employees of the Company;
- b) Any physical person employed and under the control of the Company and that participates in the investment services provided by the Company;
- c) Other physical people, who as a result of an outsourcing contract signed with the Company, are as well providing investment services.

There shall be "divided areas" in the business that are specifically subject to conflicts of interest, as mentioned on section 2.1.

1.2. Objective

The main objective is that of identifying and updating on a regular basis any potential or actual conflict of interest in order to avoid them in advance. In the event that they cannot be avoided, the objective is to manage accordingly the resulted conflicts of interest, as per the policy in place, and through the logging and communication within the organization.

The conflict of interest management policy is to be distributed to all "competent" people and could be part of the Internal Conduct Code "ICC".

1.3. General Principles

- Prioritize above all the clients' legitimate interests, trying to avoid conflict and following the law, by providing the highest level of diligence, loyalty, neutrality and discretion;
- Guarantee that all "competent people", when working simultaneously in different activities that imply a conflict of interest in the clients' interests, will conduct their activities at an appropriate level of independence suitable to the size and activity of the company;

DIDENDUM, EAF, S.L.U.

- Deals are not to be unnecessarily multiplied as to not cannibalize the benefits to the clients (in connivance with the intermediary);
- A client is not to be favoured over another in an event of a conflict of interest;
- Should not acquire one or several instruments, when a client have demanded them at the same or better conditions (in connivance with the intermediary);
- A personal sale will not be prioritized over the client's order to sale if the client has given the order to sell the same type of instrument at the same or better conditions;
- All other rules are to be followed rigorously, as well as those rules derived from legal or regulation dispositions or adopted complimentary by the EAF, that are in place in order to avoid or deal with conflicts of interest;
- Identification of circumstances that may cause a conflict of interest or detriment to the clients' interests;
- The Conflict of Interest Management Policy is to take under consideration any circumstance that may result in a conflict of interest as a result from the Company structure and any other activities;
- A "competent person" will not engage or encourage a conduct of using or transferring confidential information that may result in market abuse;
- A "competent person" is forbidden to use confidential information when acquired through the activities at the Company, or general confidential information from the Company, for their own benefit, either directly or by transferring such information to selected clients or a third party without the responsible of the EAF knowing about it;
- A "competent person" from the EAF shall not receive a gratification or any gifts above the specified limit;
- At any given point in time, the activities carried out by the EAF, as outlined in the Activity Programme, are activities considered to be limited to the professionals that, in line with the organizational structure, are set by the EAF. These activities are always to be carried out on behalf of the EAF, so that any "competent person" is forbidden from carrying out parallel activities or aside from the EAF;
- Those employees from a separated area are not to carry out activities from a differed separated area, if they become in conflict with the responsibilities, specifically those relating to supervision and coordination, of the managerial employees.

2. Identification and Diagnose of Conflicts of Interest

DIDENDUM EAF, S.L.U. has identified those situations that may result in an actual or potential conflict of interest as per the outlined above.

2.1. List of Conflicts of Interest

a) **Business areas** subject specially to conflicts of interest of the own EAF

Investment Advice
Corporate Advisory regarding capital structure
Report composition
Other accessory activities

The above are defined as "separated areas" for the purposes of this Manual and the current rule code.

b) **Group societies** that can be involved in a conflict of interest:

DIDENDUM, EAF, S.L.U.

- c) **People** that may be subject to conflicts of interest:

“Competent people” as defined in this manual
“Associated people” to “competent people

“Competent people” will always have an updated record with the ICC organism reflecting their economic liaisons, through a family link or any other kind of link to clients or listed companies.

“Economic liaisons” are defined as a direct or indirect ownership of a share of over 3% of the equity of a non-listed company or 1% of a listed company.

“Family liaisons” is defined as the relationship of up to second degree, by blood or affinity (ancestors, descendants, siblings, partners or any comparable relationship to the person), with a client or with people in an administration or managerial role at a client’s company or listed company.

The statement will include the different affiliations or liaisons that could potentially compromise the impartial conduct of a partner or employee, as assessed by an external and unbiased observer.

The list of linked people will be custodied by the monitoring organism of ICC.

- d) **“Competent people”** with access to sensitive information that may result in a conflict of interest:

Those with access to privileged information
Those with access to confidential information, especially when such information is related to clients of the EAF or sensitive activities carried out by the EAF

Those that are part of an administration body in other societies with which a conflict of interest may arise.

- e) **“Financial instruments”** that are more likely to arise a conflict of interest:

Investment Funds advised by the EAF
Investment Funds managed or commercialized by the Group
Illiquid listed products
Financial instruments issued (both listed and OTC) by entities of the Group or by “competent people”.

2.2. Situations that may result in a conflict of interest

We outline below a non-exhaustive list of situations that may result in a conflict of interest:

2.2.1. Situations in which the EAF or an EAF employee could benefit financially or avoid a financial loss at the client’s expense:

1. **Advise to clients in certain Financial Investments:** in the potential scenario that an employee may be more incentivized to trade on some products versus other, in the framework of their compensation profile:
 - o Between different types of products
 - o Also referred to one type of financial product, if the range of products on which the company can advise includes products of the Group or the company offering the service and other third party products.

DIDENDUM, EAF, S.L.U.

2. Client recommendations to invest in SICAV/Funds advised by the EAF, if the EAF could be interested in incrementing the equity in the Investment Funds advised
3. Client recommendations to invest in SICAV/Funds advised in which the partners, administrators and/or employees have a stake
4. In the framework of financial analysis services, the possibility of recommending a stock or instrument taking into consideration the interest of the own EAF: own ownership of the instrument in personal portfolio, commercial relationship with the entity with entity being analysed, etc.

2.2.2. Situations where there might be an interest in the result of a service provided to a client different to the client's interest

Regarding the portfolio management framework in which the compensation is linked fully or partially to the results, the possibility that the risk levels agreed are disregarded in order to maximize the success fee.

2.2.3. Scenarios where the activity is the same as the client's

In this scenario we would foresee the increasing possibility of using privileged information in the specified situations.

2.2.4. Scenarios where the Company could receive an incentive from anyone other than the client for the service provided, different to the standard fee or the cost of the service

Retentions for volumes negotiated: Incentive definition.

3. Procedure to guarantee the Conflict of Interest Log is updated

The monitoring organism of ICC will be in charge of keeping and updated record of the conflicts of interest, as well as keeping a record of all the relevant information, communications, analysis, etc. that comes from the process of keeping the log of conflicts of interest updated.

Following accordingly the Code of Conduct will ensure that the Monitoring Unit of the ICC will have the appropriate technical and legal support to base their decision.

In the event that the diagnoses and/or recommendation of the Code of Conduct is different to the diagnoses and/or decision from the organism of monitoring of the ICC, it will have to be brought to the attention of the Administration Board of the EAF so that they can make a binding decision relating to the conflict of interest and the process and management of it. The agreement ruled by the Administration Board will have to be defended and documented. The conflict of interest will have to be included in the "Conflict of Interest Log".

4. Procedures to avoid conflicts of interest

The procedures and measures to avoid conflicts of interest are as follows:

4.1. Approval of an Internal Code of Conduct, including the control structure and the monitoring as specified in this Manual, and that affects all "competent people"

Please see ICC

4.2. Management of the "linked deals"

DIDENDUM, EAF, S.L.U.

The management of conflicts of interest done by the EAF, is greatly based on the treatment of “linked deals”, as reflected in the ICC.

4.3. Incentives

The Company could receive or pay to third parties related to the financial instruments on which they are giving investment advise. These payments would only take place in the event of one of the following scenarios: (i) the existence, nature and amount of the fees or non-monetary benefits or when the amount cannot be determined, the calculation method of that amount will have to be clearly presented to the client, in an understandable, exact and complete manner, before the service takes place; (ii) it improves the quality of the service provided; and (iii) the payment of the incentives will have to improve the quality of the service provided and shall not obstruct the company’s obligation of pursuing the client’s best interest.

The incentives that are foreseen initially are the payments made by third parties that issue or market financial instruments to the Company that could be subject to being recommended by the same Company.

The policy followed by the Company ensures the appropriate management of the payments to avoid harming the client and provides full transparency in the process of payments by third parties.

In Didendum’s case, the clients know beforehand the agreement of collaboration between entities and will be refunded 100% of the charges.

4.4. Investment Funds Advisory

4.4.1. In the event of recommending Investment Funds clients advised by the EAF, the EAF shall not receive a fee for the equity invested in that Investment Funds. This will be clearly shared with the clients in written form

4.4.2. In the event of recommending Investment Funds clients linked in any way to the EAF (by having a significant stake in the Company, or by being part of the Administrative Board, etc.) it will be clearly shared with those clients that are recommended to invest in those Investment Funds in written form. In the same form, clients will be informed of any circumstances that imply a change in the situation.

In Didendum’s case, clients will be informed via an annex to the Advisory Contract that we are advising two compartmentalized funds, the fee perceived by those funds and therefore also for the equity deposited in those funds there is no fee for advisory.

4.5. Ensuring appropriate independence levels and segregation of the responsibilities.

The measures to try to avoid or manage the information exchange between “competent people” are as follows:

- The employees of each area of business will be responsible for keeping an updated record of privileged information and of those people from and outside of the company that have access to said information
- Information will be labelled as “non material”, and therefore not bearing risk of conflict of interest, when the information exchange could cause harm to one or more clients: The rest of the information will be considered material or privileged

DIDENDUM, EAF, S.L.U.

- The labelling of material and non material information will be done following the Code of Conduct, following the appropriate sharing of the information by the relevant business area and management
- The Code of Conduct will have to establish the procedures and measures to be followed relating to material or privileged information, and management and the relevant “competent people” shall be informed about it
- Each “competent person” will have the custody of their own file of material information, that will have to be safely stored away from other people’s reach, unless previously cleared by the Code of Conduct
- The access to another person’s file will have to be authorized following the Code of Conduct, following the request by the person that wishes to access the file
- The Monitoring Organism of the ICC will keep an updated record of the people that request access to a material information file from another “competent person”, with the reasons for the request and whether or not the request has been granted by the Code of Conduct. The role of the Code of Conduct will only be able to authorize requests in extremely necessary cases and after the person accessing the information has agreed to a “confidentiality agreement”. Those “competent people” that have received and accepted the Internal Code of Conduct, have de facto agreed to the confidentiality agreement and therefore will not need to sign a new confidentiality agreement.
- Those people providing services to the Company and/or have access to sensitive or privileged information, will also be subject to signing a confidentiality agreement.
- The explicit authorization by the role of the Code of Conduct won’t be necessary when the access to sensitive or privileged information is needed by people hierarchically higher in the organization, whose access to the information is needed in order to accordingly coordinate and manage the activities to deliver the service. In this case, the simple communication to the role of the Code of Conduct will suffice.
- It is the Company’s responsibility that the Administrative Board provides the Company with the appropriate structure function and organization wise in order to guarantee this objective and measures
- The Company should establish physical barriers and systems that reasonably guarantee that there is no exchange of sensitive information that could cause any harm to the clients
- The Monitoring Organism of the ICC will carry out periodical tests, at least every year, to assess the efficiency of the information barriers in place.

4.6. Measures to avoid inadequate influence over a “competent person”

As a general rule, should a conflict of interest arise, this will be resolved by the person responsible for the business area affected and, should the conflict affect several areas, it will have to be solved by the person immediately above all the affected areas.

Either way, it will be the role of the Code of Conduct to appoint the person or people responsible to resolve the conflict of interest and to provide the relevant advice and technical support.

The decision around the conflict and all aspects and facts around it, will have to be relayed to the role of the Code of Conduct.

The main principles outlined in this chapter will be taken into consideration for and during the resolution of the conflicts of interest.

If the measures adopted by the Company don’t suffice to guarantee, with reasonable certainty, that risks to hurt the clients’ interest are not avoided, the Company will let the affected parties know about the

DIDENDUM, EAF, S.L.U.

origin and nature of the conflict. The Company can only carry out the services or transactions if and when the affected clients agree to do so.

4.7. Logging and Communication Systems of the contemplated Conflicts of Interest

As mentioned above, the role of the Code of Conduct will be responsible for keeping an updated record of the conflicts of interest that have or are taking place at any given moment. The record shall be structured as follows:

Conflict of Interest Log/Record

Number	Date of Origin	Instrument or Service involved	Affected People	Causes for the Conflict	Conflict Description	Impact over the Client/Company	Measures to address it

All conflicts of interest that take place in the organization are to be logged with the role of the Code of Conduct, using the established channel and to do so, and following the appropriate analysis and logging, will raise the conflict with the Internal Control Committee to deploy the appropriate measures.

4.8. Communication to Clients

Clients will be informed in a complete, exact and understandable manner, before the service is provided, on how the conflict of interest will be handled. In particular, the potential conflicts will be identified to the client, as well as the procedures and measures adopted to manage said conflicts. The information will be even more detailed on those cases in which the conflicts could be avoided.

The communication to the client could be presented in two levels of detail:

- a) **Synthesized level:** the client will be informed about the general characteristics around the policy for the conflict of interest (conflict identification, procedures and measures to manage it), and committing to delivering more detailed information upon the client's request
- b) **Detailed level:** The client shall be provided with more detailed information upon their request at the level of each conflict of interest, for each service of investment and financial instrument, etc...

When several entities are involved in the distribution channel, each investment company that provides an investment service or auxiliary service shall have the obligation to inform their own clients.

The information to clients will have to be delivered by mechanisms that will allow to be verified at a later stage, for a long period of time, and will be able to be incorporated to the pre-contractual information related to each investment service, either in the same contract with the client or in the web page, as per the current rules.

In those situations when the conflict of interest cannot be avoided, the client will have to be informed about the origin and nature of the conflict as well as the potential impact.