



Ahorro Corporación Financiera, S.V,
S.A.U.

CONFLICT OF INTEREST MANAGEMENT POLICY

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Conflict of Interest Management Policy within the scope of the Stock Market

**AHORRO CORPORACIÓN
FINANCIERA S.V., S.A.U**



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1 SCOPE OF APPLICATION

1.1 Subjective scope of application

All persons subject to the Internal Rules of Conduct are subject to this Policy.

To these ends, this policy is understood to bind Ahorro Corporación Financiera S.V. S.A.U. (hereinafter “ACF” or the “Company”) as well as all the members of the Board of Directors, executives, employees and representatives thereof (“the Persons Affected”):

The responsibility for preparing and updating the Conflict of Interest Management Policy lies with Compliance. The Policy shall be approved by the Board of Directors of ACF. Non-material changes in the Policy may be approved by the Compliance Director, who shall subsequently notify the Board of Directors.

100% of the capital of ACF is owned by AHORRO CORPORACIÓN FINANCIERA HOLDING, S.L. (hereinafter “ACF Holding” or “Parent Company”), a company that acts as a mere holder of the shares and does not perform any activity whatsoever. Reference to the “Group” shall be understood to refer to ACF and ACF Holding.

1.2. Definition of conflict of interest & situations of potential conflict

Conflicts of interest are those that may arise when investment or auxiliary services, or a combination thereof, are provided and when their existence may detract from a client's interests.

To identify a conflict of interest, one shall consider, as a minimum criterion, whether ACF, ACF Holding or a “Person Affected”, or a person directly or indirectly linked to ACF or ACF Holding by a relation of control, is in any of the following situations (either as a consequence of providing the investment or auxiliary services, or performing investment activities, or due to other reasons):

- ❖ they may obtain a financial profit, or avoid a financial loss, at the expense of the client;
- ❖ they have an interest in the records of a service provided to the client or an operation performed on behalf of the client is different to the interest of the client in such a result;



- ❖ they have financial or other kinds of incentives to favour the interests of another client or group of clients regarding the interests of the client;
- ❖ they perform the same activity as the client;
- ❖ they receive or are going to receive an inducement from a person other than the client in relation to a service provide to the client, in the form of services or monetary or non-monetary benefit.

1.3. Activities with potential conflict

The activities performed by ACF that generate potential conflicts of interest are:

- ❖ Reception and transmission / execution of client orders in relation to one or more financial instruments;
- ❖ Trading on one's own account;
- ❖ Placement of financial instruments based on a firm commitment or not;
- ❖ Assuring an issue or placement of instruments;
- ❖ Advice to companies on capital structures, industrial strategy, mergers, acquisitions and related matters;
- ❖ Preparation of investment reports and financial research.



2 CIRCUMSTANCES THAT MAY GIVE RISE TO CONFLICTS OF INTEREST

The following is the identification of circumstances related to the investment services described that may give rise to conflicts of interest that involve a risk of detraction from the interests of one or more clients. The measures for conflict management established at ACF are mentioned.

2.1. Conflicts by ACF and the Persons Affected with their clients (or between clients) in providing the service of receiving and transmitting/executing orders

POTENTIAL CONFLICT	CONFLICT MANAGEMENT
Giving preferences to conveyance of orders by the Group / another client / employee, regarding an order by a specific client	<ul style="list-style-type: none">○ Order management policy.○ Policy on Inside Information and Separate Areas: the own account is managed in a Separate Area○ Regime of personal operations according to the Internal Rules of Conduct and personal operations policies prevent such conduct○ Mandatory declaration of situations of employees who generate potential conflicts.
Linking employee remuneration to profit generated by brokerage	<ul style="list-style-type: none">○ Variable remuneration criteria that avoid conflicts of interest
Transmission of client orders to brokers who do not assure best processing of the client order	<ul style="list-style-type: none">○ Best execution policy○ Inducement policy
Inciting clients to perform operations in order to benefit others	<ul style="list-style-type: none">○ Inside Information and Separate Area policy: establishes measures aimed at avoiding such conduct
Using Inside information on orders in favour of the Company or third parties	<ul style="list-style-type: none">○ Inside Information and Separate Area policy. establishes measures aimed at



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POTENTIAL CONFLICT	CONFLICT MANAGEMENT
	avoiding such conduct
Subsequent assignment of operations	<ul style="list-style-type: none"> ○ Order breakdown policies
Sale of securities for clients on markets with scarce liquidity or that are non-transparent, generating a high profit for one client and detracting from profit for another	<ul style="list-style-type: none"> ○ Best execution policy ○ Client information policy
Seeking counterpart on block operations might cause conflict of interest for the Company with its clients, or those of some clients against others: advise the buyer and seller, favour some clients to the detriment of others in the book building process, use of inside information	<ul style="list-style-type: none"> ○ Inside Information and Separate Area procedures ○ Order assignment procedure
Placing the interests of the employee's personal investments before those of the client.	<ul style="list-style-type: none"> ○ Regime of personal operations to Internal Rules of Conduct, and personal operations policies to prevent such conduct

2.2. Conflicts by ACF and the Persons Affected with their clients (or between clients) due to trading on own account

POTENTIAL CONFLICT	CONFLICT MANAGEMENT
Placing one's own account before the client's trading (front-running).	<ul style="list-style-type: none"> ○ Inside Information and Separate Area policy to prevent such conduct
Use of Inside information for operations on one's own behalf	<ul style="list-style-type: none"> ○ Inside Information and Separate Area policy to prevent such conduct
Benefiting ACF in the distribution of operations	<ul style="list-style-type: none"> ○ Order management procedures ○ Procedure to break down global orders / order assignment
Offering counterpart to clients on one's own behalf	<ul style="list-style-type: none"> ○ Best execution policy



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2.3. Conflicts by ACF and the Persons Affected with their clients (or between clients) due to assurance of an issue (or instrument placement); or instrument placement, whether or not it is based on a firm commitment

POTENTIAL CONFLICT	CONFLICT MANAGEMENT
Collecting placement commissions might generate conflicts of interests with the research service.	<ul style="list-style-type: none"> ○ Inside Information and Separate Area procedures ○ Procedures by the Strategy and Research Area
Placing Private Fixed Yield products, running them through the Brokerage Company's own account to obtain a margin from the operation, exceeding the normal market commission for Fixed Yield brokerage products	<p>These operations shall be carried out residually (as an attempt will be made to channel the whole fixed yield operation through the Regulated Market or MTF).</p> <p>Notwithstanding this, the following shall also be considered:</p> <ul style="list-style-type: none"> ○ Client information policies; ○ Limit on applicable margins.

2.4. Conflicts by ACF and the Persons Affected with their clients (or between clients) for advice to companies on capital structures, industrial strategy and related matters, as well as advice and other services related to mergers and corporate acquisitions

POTENTIAL CONFLICT	CONFLICT MANAGEMENT
Advice to buyer and seller from the same company in the Group	<ul style="list-style-type: none"> ○ Situation not permitted.

2.5. Conflicts by ACF and the Persons Affected with their clients (or between clients) regarding preparation and diffusion of investment reports and financial research or other forms of general recommendation regarding operations with financial instruments

POTENTIAL CONFLICT	CONFLICT MANAGEMENT
The analysts may withdraw from recommendations based on objective arguments	<ul style="list-style-type: none"> ○ Inside Information and Separate Area policy



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POTENTIAL CONFLICT	CONFLICT MANAGEMENT
	<ul style="list-style-type: none"> ○ Research Department Procedures

2.6. Conflicts arising from financial or family situations or other circumstances that affect employees, executives and Directors in the Group

POTENTIAL CONFLICT	CONFLICT MANAGEMENT
Certain personal situations of the employees, Directors and executives that may cause them conflicts of interest in the functions carried out	<ul style="list-style-type: none"> ○ Internal Conduct Rules: the employees shall declare personal situations of conflict of interest to Compliance, that shall establish a register and adopt specific measures for each situation.

2.7. Conflicts of interest of the Group and Affected Persons with their clients (or between clients) over access to inside information

POTENTIAL CONFLICT	CONFLICT MANAGEMENT
Having inside information within the Group might generate conflicts with clients' interests	<ul style="list-style-type: none"> ○ Separate Areas. ○ Separate supervision of Areas that perform activities or services on account of clients with different interests that might come into conflict ○ Elimination of any direct relation between remuneration of employees who mainly perform an activity and revenue generated by another Area when conflicts of interest may arise ○ Measures to prevent any person being able to exercise inadequate influence over the



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POTENTIAL CONFLICT	CONFLICT MANAGEMENT
	<p>way in which an employee provides investment services</p> <p>Limitation of inducements</p> <ul style="list-style-type: none">○ Measures to prevent simultaneous participation by competent persons in various investment or auxiliary systems when such participation may detract from adequate management of conflicts of interest



3 GENERAL PRINCIPLES OF ACTION & MANAGEMENT MEASURES

In order to avoid and, in all cases, to reduce possible conflicts of interest as much as possible, the AC Group has adopted the following measures and principles that govern its activity and that of the Persons Affected:

3.1. Personal Operations

All operations on ACF's own account, as well as those of the Persons Affected, shall be performed in compliance with the terms established in the Regulations of the Internal Rules of Conduct of ACF.

Thus, among other measures, with regard to own account operations by employees and Persons Affected, the following apply:

- There is a specific regime of restrictions for personal operations by employees, namely, the "Personal Operations Procedure", which establishes prohibitions and restrictions on personal operations;
- All operations shall be notified with a monthly frequency to the Internal Rules of Conduct Control Body, which shall carry out the relevant checks.

3.2 Separate areas

In order to avoid conflicts of interest and prevent flow of inside information between the different areas of activity, in order to guarantee that each one of these makes its decisions regarding the scope of the stock markets independently, ACF has established the relevant Separate Areas within the Company pursuant to the applicable regulations.

3.3. Separate supervision

ACF has a hierarchical structure that guarantees separate supervision of the Areas that perform activities or services on account of clients with different interests that might clash:

- Activities on own account are performed in Separate Areas;



- Each one of the Separate Areas has a Supervisor who, to the extent possible, only provides services in that area;
- Each one of the Separate Areas has enough staff, to the extent possible, that only provides services in that area;
- The Research Department has specific procedures to regulate treatment of conflicts of interest that might arise from its activity;
- Compliance has established procedures to guarantee that the Separate Areas operate adequately. Specifically, there is a “Inside Information and Separate Areas Procedure” that regulates the independent operating of the Areas and simultaneous participation of these where necessary.

3.4. Confidential Information

For the purposes of this policy, the following is considered “Confidential Information”:

- All information related to issuers, stock markets or operations in which any Company in the Group participates or advises a client, which is made available to the Persons Affected due to their own office or activity and is not public (“Reserved Information”);
- All information of a specific nature that refers to issuers of securities, to securities or to clients, or client operations, that has not been made public and that, if it were or had been made public, might appreciably influence the listing of that or of several securities, or any decision making regarding the investment (“Inside Information”).

Information firewalls regarding Confidential Information are established between the different separate areas, as well as, where appropriate, between departments between which a potential conflict of interest might have been identified. Thus, among others, the following measures have been established to safeguard the confidentiality of the Confidential Information:

- Location of the affected persons belonging to the different separate areas in independent physical spaces, according to the size and needs of each one of the departments;
- Separation of physical files. The necessary technical measures to separate and protect electronic files;



- Keeping lists of the initiated: A confidential register shall be kept regarding negotiable securities or financial instruments on which inside information is held. The register shall be held by the Compliance Manager.

3.5. Rules to prepare recommendations & research reports

The activity of preparing recommendations and research reports has been defined as an independent area within the activity in order for the persons responsible for preparing recommendations and reports to be able to carry out their activity under the principles of independence and objectivity.

The main measures intended to avoid conflicts of interest in ACF arising from this activity are recorded in the Procedure of the Research Department that includes, among other aspects, the actual legal demands specifically established by applicable regulations for management of conflicts of interest arising from provision of the research service.

Likewise, in the event of ACF participating actively in an assurance operation or placement of assets issued by any of the companies covered by the Research Department, although that Department shall continue to analyse it, it shall abstain from publishing a specific recommendation for a minimum period of 2 months from commencement of the operation (or where appropriate, the period deemed appropriate, or that which may have been requested specified by the company concerned).

Moreover, any of the parties responsible for the different business areas may require the Compliance Manager to analyse the need to apply to the Research Department to limit the scope, cancel or delay preparation of a report or recommendation regarding a company when it is considered that a conflict of interest may exist.

3.6. Objective criteria to assign orders

The Group has implemented a Best Execution Policy, which includes rules for orders by its clients to be transmitted swiftly and for their execution to be correct, following the order management procedures and systems adopted by the Company.

If accumulated orders are to be executed, the procedures the Group has established to prove that the investment decisions for each client are adopted prior to transmitting the order are



applied effectively, and to guarantee equity and non-discrimination between clients by objective, pre-established criteria for distribution or breakdown of such operations.

3.7. Inducements

The Group performs its activity under the principle of honest, impartial, professional practice, and in the best interest of its clients.

No payment, collection or non-monetary profit shall be accepted related to a service that does not comply with that general principle, that is not necessary to provide the service, or that has been paid directly by the client or on its account, except if the collection or payment involves an improvement of the quality of service provided to the client. In all cases that may be doubtful, the person responsible for the service shall discuss the matter with the Compliance Manager in order for him/her to prepare a report concerning it.

The Persons Affected may not accept or give gifts or gratifications of any kind regarding the work they perform, except in the cases stated below:

- Promotional or commercial gifts from companies in the sector, providers, service providers or clients, as long as they are ordinary in nature and within what is considered usual in such relations;
- Attending training events, sports tournaments, cultural activities, luncheons and dinners, always within the ordinary commercial activities of the Company, and when attended with the representatives of the relevant company;
- When the economic value of such gifts or gratifications exceeds € 300, notification shall be given to Compliance prior to acceptance, in order for the latter to determine whether acceptance is appropriate pursuant to conflict of interest management that the gift or gratification may cause.

3.8. Variable remuneration system established by the AC Group

ACF has established variable remuneration criteria to avoid conflicts of interest, which are included in its Remuneration Policy

3.9 Additional requisites in relation to assurance, placement and advice (understood as auxiliary services)



The Advisory Department and Brokerage Department are Separate Areas. That independence is one of the measures that exist to prevent conflicts of interest appearing when the Company provides the advisory service (understood as an auxiliary service) and related placement activities, having specific procedures for:

- Correct management of conflicts of interest that might arise from joint provision of the auxiliary service of advising companies (advising companies in matters of capital structure, industrial strategy and related matters, and advice and services in relation to corporate mergers and acquisitions) and the assurance or placement service;
- Detection, prevention or management of conflicts of interest that might arise in relation to possible under-valuation or over-valuation of an issue, or participation by the parties concerned in the process;
- Prevention or management of conflicts of interest that arise in the case of the persons responsible for providing services to clients being directly involved in decisions regarding recommendations in matters of assignment put to the client issuing;
- Detection and management of conflicts of interest that may arise on providing investment services to a client to participate in a new issue, when ACF receives commissions or other monetary or non-monetary benefits in relation to organisation of the issue.

In the event of ACF receiving commissions or other monetary or non-monetary benefits related to provision of services related to organisation of an issue and, in turn, proceeding to placement with investors in that issue, such commissions or benefits shall comply with the terms set forth in the regulations regarding inducements.



4 CONFLICT RESOLUTION PROCEDURE

In the event that, within the scope of provision of a service to a client, the person responsible for such service detects possible existence of a conflict of interest, he/she shall adapt his/her behaviour to the terms established in this Policy.

In all cases, when the person responsible understands that it is not possible to completely eliminate the existence of a conflict, he/she shall notify the Compliance Manager of that circumstance, who shall issue a report stating the procedure to be followed in this specific case.

Moreover, the Compliance Manager shall personally evaluate situations of potential conflict of interest with a minimum frequency of once a year, and shall identify the measures and procedures that may be necessary to eliminate, prevent or manage them.



5 REGISTRATION

ACF shall keep a register of the types of investment or auxiliary services, or investment activities performed by the Company or on its account, and in which a conflict of interest has arisen involving a risk of detraction from the interests of one or more clients, or in the case of an ongoing service or activity, in which such a conflict might occur.

Keeping such a register shall be the remit of the Compliance Manager and shall clearly include the following information in a quantifiable manipulation-proof manner:

- ❖ Notification of possible situations of conflict of interest received by the managers of the different Departments of ACF;
- ❖ Situations of potential conflict detected by the Control, Auditing and Compliance Departments in exercise of their functions;
- ❖ Investment, securities or financial instrument services subject to potential conflict;
- ❖ Description of the situation of potential conflict;
- ❖ Date on which the conflict arose;
- ❖ Resolution by the Compliance Manager, or where appropriate by the competent body, to resolve the solution, and the measures adopted;
- ❖ Persons involved in relation to each potential conflict.



6 NOTIFICATIONS & WARNINGS TO CLIENTS

Pursuant to the terms set forth in the applicable regulations, ACF shall provide a description (that may be in summary form) of the conflict of interest policy applied by the Company. More details regarding the conflict of interest policy shall be sent if requested by the client, on durable media, or through the web site (when that does not constitute a durable media), as long as the conditions established in the regulations for such a means of communication to be considered appropriate are fulfilled.

In the event of the measures and procedures established to avoid conflicts of interest not being sufficient to avoid the existence of a possible conflict regarding provision of a service to a client, the client shall be informed of the existence of the potential conflict, as well as its general nature, or the origin and the measures adopted to mitigate such risks, before acting on behalf of the client, so he/she may adopt a reasoned decision regarding whether or not it is convenient to subscribe the service concerned.

The case considered in the preceding paragraph shall be understood as a solution of last resort that shall only be used in cases in which the effective organisational and administrative measures established by ACF to prevent or manage conflicts of interest are not sufficient to guarantee prevention of the risks of harming the client's interests with reasonable certainty.



Addendum 1: Main applicable regulations

- ❖ Article 23 of Directive 2014/65/EU (MIFID II).
- ❖ Articles 36 to 42 of the Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU, of the European Parliament and of the Council, as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.