Conflicts of Interest Policy

Internal policy aimed at identifying, preventing, containing and managing conflicts of interest in the provision of investment and/or ancillary services, equity investments and transactions with Connected Parties

PY003-002	Approval	Effective date
	06/05/2026	01/06/2026

CONTENTS

1 Introduction

The purpose of this document is to illustrate the approach to conflicts of interest adopted by Banca Generali (hereinafter the "Bank").

By law, in the provision of investment services and activities and ancillary services, the Bank is required to:

- adopt all measures suitable to identify and prevent or manage conflicts of interest that may arise between the Bank, including its executives, employees and tied agents and persons directly or indirectly connected to it, and its clients or between two clients upon provision of any investment service or ancillary service or a combination thereof;
- maintain and apply effective organisational and administrative provisions in order to adopt all reasonable measures designed to prevent conflicts of interest from adversely affecting its clients' interests;
- where the organisational and administrative provisions adopted are not sufficient to ensure, with reasonable certainty, that the risk of harming clients' interests will be avoided, inform clients clearly, before acting on their behalf, of the general nature and/or sources of the conflicts of interest and the measures adopted to mitigate the associated risks;
- maintain and update regularly a register containing the types of investment or ancillary services or investment activities performed by the Company or on its account, for which a conflict of interest that risks harming the interests of one or more clients has arisen or, in case of an ongoing service or activity, may arise.

This Policy therefore sets out the macro-categories of conflicts of interest connected to the Banking Group's current structure and the activities and/or services rendered by it, as well as the measures adopted to prevent conflicts of interest or manage those capable of harming clients.

This Policy also incorporates the provisions on conflicts of interest relating to insurance investment products, taking into account the provisions laid down in the relevant legislation.

The rules on conflicts of interest management adopted by the Banking Group are based on four basic principles:

- **a duty to identify**: the specific circumstances in which a conflict of interest detrimental to one or more clients arises or could arise during the performance of investment services and activities and ancillary services shall be identified;
- **a duty of organisation**: organisational measures and procedures for managing the conflicts of interest identified shall be defined;
- **a duty of disclosure**: if it is deemed that the organisational and administrative measures adopted to manage certain types of conflicts of interest are unsuited to sufficiently avoiding the risk of harm to clients’ interests with a reasonable degree of certainty, clients should be given, before effecting any transactions on their behalf, clear information regarding the overall nature and/or sources of the conflicts of interest in question and the measures adopted to mitigate the related risks, so as to enable them to make an informed decision on the services provided, taking into account the context in which conflict situations arise;
- **a duty to act honestly and fairly**.

This Policy lays out binding rules for all Staff. Accordingly, this Policy and any subsequent updates thereto are circulated among employees and the Financial Advisor Network.

2 Definition of conflict of interest

Intermediaries maintain and apply effective organisational and administrative provisions in order to adopt all reasonable measures designed to prevent conflicts of interest from adversely affecting their clients' interests, including their sustainability preferences.

In accordance with Delegated Regulation (EU) 2017/565, for the purposes of identifying the types of conflict of interest that may arise upon **provision of investment and ancillary services** or a combination thereof and whose existence may damage the interests of clients, including their sustainability preferences, investment firms shall take into account, by way of minimum criteria, whether the investment firm or a relevant person, or a person directly or indirectly linked by control to the firm, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

a) the firm or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
b) the firm or that person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
c) the firm or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
d) the firm or that person carries on the same business as the client;
e) the firm or that person receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services.

In order to identify the conflicts of interest that may arise upon the performance of any **insurance distribution** activity connected with insurance investment products and entailing a risk of harming the interests of clients, including their sustainability preferences, insurance intermediaries shall assess whether themselves, a relevant person or any person directly or indirectly linked to them by control have an interest in the outcome of the insurance distribution activities that meets the following criteria:

a) it is distinct from the client’s or potential client’s interest in the outcome of the insurance distribution activities;
b) it has the potential to influence the outcome of the insurance distribution activities to the detriment of the client.

For the purpose of such assessment, insurance intermediaries shall take into account, by way of minimum criteria, the following situations:

a) the insurance intermediary, a relevant person or any person directly or indirectly linked to them by control is likely to make a financial gain, or avoid a financial loss, to the potential detriment of the customer;
b) the insurance intermediary, a relevant person or any person directly or indirectly linked to them by control has a financial or other incentive to favour the interest of another customer or group of customers over the interest of the customer;
c) the insurance intermediary, a relevant person or any person directly or indirectly linked by control to an insurance intermediary or an insurance undertaking is substantially involved in the management or development of insurance-based investment products, in particular where such a person has an influence on the pricing of those products or their distribution costs.

In light of the above, the conflicts of interest identified in this Policy with regard to the provision of investment and/or ancillary services and the distribution of insurance investment products represent situations in which, at the time the said services and/or other activities, or a combination thereof, are rendered, the investor’s interest could be damaged to the benefit of the investment firm, its executives, employees or tied agents, or to the benefit of another client.

In order to identify conflicts of interest, all the relevant staff and their respective managers shall take into account whether the Bank or a Relevant Person (or persons linked thereto by a relationship of direct or indirect control):

- could secure a financial benefit or avoid a financial loss to the detriment of the client; for the intents and purposes of this Policy, a conflict of interest cannot be deemed to arise, on the one hand, merely because the Bank or one or more of the other persons mentioned above could secure a benefit, unless, at the same time, there is a material risk of damage to the client's interests, or on the other hand, only on the grounds that a benefit could accrue or a loss be avoided for a client towards which the Bank has obligations, unless, at the same time, there is a material risk that another client could sustain losses as a result thereof;
- has an interest in the outcome of the service rendered to the client that is distinct from the client's interest.

The regulatory provisions concerning risk assets and conflicts of interest with respect to Connected Parties (Bank of Italy's Supervisory Provisions) aim to monitor instead the risk that the closeness of certain parties to the Bank's decision-making centres could compromise the objectivity and impartiality of decisions regarding the transactions involving the said parties, and potentially create distortions in the resource-allocation process, exposing the Bank to risks that are not adequately measured or controlled, including possible conflicts of interest, and/or resulting in potential harm and losses to depositors and shareholders.

In pursuit of this objective, the term "Related Parties" refers to, first and foremost, the Company's top managers, main shareholders and other persons in a position to influence the management of the Bank or the Banking Group, in light of their ability to exercise control, either individually or jointly with other parties, or a significant influence. Conflicts of interest might arise even in connection with enterprises, especially industrial ones, which are subject to control or significant influence, in respect of which the Bank is significantly exposed in terms of loans and/or equity investments.

In order to monitor the aforementioned conflicts, applicable regulations set forth prudential limits applicable to the risk assets of a bank or banking group in relation to Connected Parties, and define specific provisions concerning organisational structures and internal control processes. In detail, the latter shall:

- ensure constant observance of the prudential limits and approval procedures set by the regulations;
- pursue the aim of also preventing and properly managing potential conflicts of interest pertaining to all transactions with Connected Parties, in compliance with the principle of sound and prudent management.

Based on the operating characteristics and strategies of the Bank and the Banking Group, the Supervisory Provisions require the identification of the sectors of activity and types of dealings of an economic nature, including those that do not entail the assumption of risk assets, in relation to which conflicts of interest may arise. All the staff in charge and their respective managers shall identify and constantly update the operating areas, i.e., the types of transactions that entail the assumption of risk assets or the transfer of resources, services or obligations, regardless of whether consideration is provided for, specifying those in relation to which conflicts of interest may arise.

In this context, the Bank considers, for example, conflicts of interest relating to lending and funding, investment in financial and non-financial assets, advisory and assistance services, and the acquisition of equity investments.

3 Conflicts of Interest Register

Commission Delegated Regulation (EU) 2017/565 and Commission Delegated Regulation (EU) 2017/2359 require to keep and regularly update a record of “the kinds of investment or ancillary service or investment activity carried out by or on behalf of the firm in which a conflict of interest entailing a risk of damage to the interests, including the sustainability preferences, of one or more clients has arisen or, in the case of an ongoing service or activity, may arise”.

The said conflicts of interest register shall be managed and maintained by the Bank’s Compliance Function.

Similarly, the Compliance Function, with the collaboration of the Relevant Function as identified from time to time, is tasked with maintaining and updating a register of transactions in which a conflict of interest may arise with Connected Parties, pursuant to the Supervisory Provisions.

4 Management of client requests for further information

In accordance with Commission Delegated Regulation (EU) 2017/565, *intermediaries are bound to provide “at the request of the client, further details of that conflicts of interest policy in a durable medium or by means of a website (where that does not constitute a durable medium)”*.

Compliance is responsible for answering, in a durable medium, client requests for further information on the Bank’s conflicts of interest management.

5 Group operating model

Banca Generali Group is an international banking group with an integrated, multipurpose corporate structure that consists of the following: a Parent Company, Banca Generali, authorised to engage in banking activities and render investment and/or ancillary services and tasked with functions including control, policy making and coordination, and the banking, financial or instrumental companies controlled from time to time.

In order to identify the circumstances that could give rise to a conflict of interest in the provision of investment and ancillary services, all the investment and ancillary services rendered by each and every Banca Generali Group entity were mapped with a view to determining whether or not providing the said services could be in conflict with the client’s interests, taking due account of the other activities undertaken by the said group entities.

In order to identify conflicts of interest that may arise between the Bank, including its executives and employees, or any person directly or indirectly controlled, and its clients or between two clients upon the performance of any insurance distribution activity, it was assessed whether the performance of insurance investment product distribution activities might be in conflict with clients' interests, including their sustainability preferences.

Similarly, in order to identify all transactions with Connected Parties that may give rise to conflicts of interest and pursuant to the legislation governing risk assets and conflicts of interest with respect to such Parties, the sectors of activity and types of dealings of an economic nature in relation to which conflicts of interest may arise were mapped, including those that do not entail the assumption of risk assets.

5.1 Services rendered and activities undertaken by Banca Generali Group

The table below summarises the investment and ancillary services, investment activities and banking services rendered by the Group[1] through its entities, whilst also outlining situations that could give rise to conflicts of interest potentially detrimental to the client:

Type	Detail
Investment services	Receipt and forwarding of orders
	Execution of orders on behalf of clients
	Trading for own account
	Direct underwriting of financial instruments and/or placement of financial instruments on the basis of a firm commitment
	Placement of financial instruments without a firm commitment
	Portfolio management
	Investment advice/investment advice preliminary to execution services involving cash and financial instruments held with authorised third-party intermediaries
Ancillary services	Foreign exchange services, where they are connected with the provision of investment services
	Financial instrument custody and administration
	Services related to firm underwriting commitments
	Granting of financing or loans to investors to undertake transactions in one or more financial instruments that entail the involvement of the lender
	Investment research and financial analysis or other forms of general advice on financial instruments
	Advice to undertakings on capital structure, industrial strategy and related questions, as well as advice and services relating to mergers and the purchase of undertakings
	Services related to the issue or placement of financial instruments, including the organisation and setting up of guarantee and placement consortia
	Foreign exchange brokerage in connection with investment services
Collective investment management services	UCITS management
Banking services/activities/other situations relevant to identifying conflicts of interest	Lending and opening of credit lines (banking activity)
	Funding through the issue of own instruments
	Distribution of insurance investment products
	Holding of equity investments in issuers/promoters of financial instruments
	Provision of services to issuers of financial instruments

	Relevant Persons who take on top management positions or acquire relevant equity investments in issuers of financial instruments

The table below summarises the operating areas the Bank identified and the type of transactions that may give rise to conflicts of interest in relation to Connected Parties:

Operating areas	Types of transactions
Agreements/contracts to purchase goods and/or services	Agreements to purchase goods or provide services
	Agreements to purchase goods or provide IT services
	Other marketing/publishing expenses
	Sale/purchase of commercial/advertising spaces
	Outsourcing contracts
	Agreements on the distribution/placement of products and services
	Insurance policies entered into
	Consultancy services received
	Sponsorships
Loan assets	Guarantees
	Consumer credit
	Cash loans and similar loans
	Foreign loans
	Special condition loans
	Loans/mortgages (including changes in the amount loaned, assumptions, substitution, subrogation)
	Substandard positions
	Bad loans
Proprietary finance	Proprietary trading of financial instruments
Treasury management	Foreign exchange treasury
Equity investment management	Purchase/sale of equity investments
	Extraordinary transactions (sale of business units, etc.)
	Extraordinary transactions (mergers/de-mergers and capital increases through contributions in kind)
Property transactions	Property lease/rent
Direct inflows	Certificates of deposit
	Term deposits
	Subordinated loans
	Repurchase agreements
Banking and payment services	Current account agreement
Client investment services	Managing agreements concerning the rendering of investment services and the receipt and forwarding of orders, trading for own account, placement with/without firm commitment, asset management, security deposit management, financial advisory
Fiduciary services	Financial services: administration with fiduciary registration of securities and other moveable property and management of various related obligations (e.g., role of withholding agent, posting of collateral, etc.). Company services (i.e., fiduciary registration of equity investments in the incorporation of companies) Specialised services: support with complex transactions involving Trust and Escrow Agreements

6 Methods used to identify conflicts of interest

The methods adopted in identifying potential conflicts of interest may be summarised as follows:

1. **Identification of potential conflicts of interest arising upon provision of investment services or distribution of insurance investment products or ancillary services, or a combination thereof, by the Subsidiaries of the Banking Group and the potential conflicts of interest arising from transactions with Connected Parties.**

   In order to identify the possible cases of conflict of interest arising upon provision of investment and/or ancillary services and/or other activities, all potential conflicts of interest the Bank could possibly incur in light of the services rendered and activities undertaken were mapped for each of the macro-categories defined under the regulatory framework.

   With a view to defining the possible cases of conflict of interest arising in the course of transactions with Connected Parties, all potential conflicts of interest the Bank could possibly incur in light of the activities undertaken were mapped.

2. **In the interest of greater correctness and completeness, the Bank has also taken into account conflicts of interest arising in respect of:**

   - Relevant Persons;
   - organisational structure;
   - remuneration relationships.

7 Identification of situations giving rise to conflicts of interest and related management measures

Banca Generali has mapped the types of conflicts of interest according to the methods indicated above, identifying and adopting the related management methods.

Where the management measures adopted for certain conflicts of interest arising from the provision of any investment service or ancillary service, or a combination thereof, are not believed to be completely sufficient to ensure avoiding the risk of harming the client's interests, adequate client disclosure will be provided.

The organisational and operating structure has been adopted on the basis of the general and specific conflicts of interest management measures illustrated in the following paragraphs.

When adopting this Policy, the Subsidiaries shall identify the possible cases of conflict of interest, as well as the related management measures in line with the above-mentioned principles, taking into account the specific local laws and regulations and the proportionality principle.

7.1 General and specific management measures

In order to mitigate the risk of harming the client's interest when providing investment and/or ancillary services, the Bank has defined management measures for each case of conflict of interest identified. These measures include, *inter alia*: information barriers; organisational measures, including segregation; measures aimed at eliminating or containing undue influence and separate supervision; rules of conduct; internal normative documents (e.g., policies, regulations); processes and procedures in place; operating limits; remuneration and incentive system; and assessment of the appropriateness.

8 Organisational model for conflicts of interest management

8.1 Goals of the organisational model

The Organisational Model for Conflicts of Interest Management adopted by Banca Generali is aimed at:

- assigning responsibility for the Organisational Model for Conflicts of Interest Management;
- defining procedures for updating the conflicts of interest identified;
- identifying conflict owners for the reporting of actual conflicts of interest;
- summarising the procedure for discharging disclosure obligations towards clients;
- illustrating operating steps for the management of client requests for further information concerning this Policy.

NOTE: Conflict owners are the Heads of the corporate structures serving as points of contact for transactions likely to give rise to a conflict of interest.

8.2 Procedures for updating the conflicts of interest identified

The conflicts of interest identified and the ensuing assessment of the measures in place to manage them may be updated in light of organisational and/or regulatory changes.

9 Regulatory framework

For the purposes of this document, reference has been made to the following statutes:

External regulations

- Directive 2014/65/EU (MiFID 2);
- Commission Delegated Regulation (EU) 2017/565;
- Commission Delegated Regulation (EU) 2017/2359;
- Italian Legislative Decree No. 58/1998 (TUF);
- Intermediaries' Regulation, as in force from time to time;
- Directive (EU) 2016/97 of 20 January 2016 (Insurance Distribution Directive – IDD);
- Supervisory Provisions for Banks – Bank of Italy Circular No. 285 of 17 December 2013, as subsequently updated

Internal regulations

- Execution & Transmission Policy;
- Inducement Policy;
- Policy for Transactions with Related Parties, Connected Parties and Corporate Officers pursuant to Article 136 of TUB
- Equity Investment Management Policy;
- Commercial and Product Governance Policy;
- Financial Partnership Policy;
- Policy on the Provision of Investment Advisory Service;
- Regulation on the Portfolio Management Investment Process.

This document has been drawn up in accordance with other rules issued by the Bank, in compliance with the regulatory requirements governing the provision of investment and/or ancillary services, as well as other general provisions. In this regard, reference is made to the taxonomy of internal normative documents as defined from time to time in the Guidance Policy on the Preparation and Updating of Corporate Policies and Regulations and the dedicated circular.

Such rules are in addition to the rules of conduct to be followed by all staff pursuant to the Group's internal normative documents and external regulatory requirements.