

CaixaBank Wealth Management Luxembourg S.A.
Policy on Conflicts of Interest
(POL-LUX-004)

Current Version	Owner	Aut. Mgmt. Date Approval	BoD Date Approval
v3.1	Compliance	31 January 2023	30 March 2023

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1. INTRODUCTION

Pursuant to the Directive 2014/65/CE on markets in financial instruments (hereinafter “**MiFID II**”) which has been transposed in Luxembourg by an amendment of the Law and Grand-Ducal Regulation/Decree of 30 May 2018 on markets in financial instruments, entities that provide investment services are obliged to adopt effective measures to ensure the protection of their customers. MiFID II extended the requirements set down in MiFID I (both referred to jointly as “MiFID”) to comply with customer protection and transparency objectives. All actual and potential conflicts of interest that arise in relation to the activities of CaixaBank Wealth Management Luxembourg, S.A. (hereinafter “**CWML**”) must be detected and avoided, or at least managed adequately if it is impossible to eliminate them.

Since the entry into force of MiFID, CaixaBank Group (of which CWML is a wholly owned subsidiary) has put in place a number of policies that regulate the criteria and general measures for adequate management of such conflicts of interest.

In this regard, CWML has adhered to CaixaBank’s Group Conflict of Interest Policy and CaixaBank Group's Code of Ethics.

In addition, CWML has adopted its own Internal Rules of Conduct (hereinafter “**IRC**”) approved by the Board of Directors, and its local Policy adapted to Luxembourg regulatory conditions to govern the Conflicts of Interest on Matters Relating to the Securities Market.

This Policy aims to ensure that CWML sets out the circumstances that could give rise to actual or potential conflicts of interest, and the procedures to be followed in managing these. Given the high level of harmonization in the adoption of MiFID rules at EU level, it has been ensured that this Policy is fully consistent with CaixaBank’s Group policy, Internal Conduct Regulation and Code of Ethics.

CWML will implement all of the steps required to act in the best interests of its customers and offer them the utmost protection. The underpinnings of the Policy can be summarized as such:

- Identification of conflicts of interest;
- Prevention;
- Management;
- Record Keeping;
- The elimination of actual, possible and future conflicts of interest;
- Communication with customers and information, as necessary.

This Policy sets out a general framework for the identification, prevention and management (including disclosure) of conflicts of interest related to the provision of investment and ancillary services. It is complemented by other internal policies and procedures setting down regulations for more specific areas.

2. DISTRIBUTION, APPROVAL AND REVIEW

This Policy must be approved by the CWML's Board of Directors within the scope of its statutory authority to approve CWML's general policies and strategies, and, in particular, the policy for controlling and managing risks.

CWML's Authorized Management shall promote the dissemination and implementation of the Policy, ensuring that it is observed, understood and fulfilled and that it is implemented, evaluated and reviewed. It shall also ensure that there are efficient information systems that confirm the members of staff to whom the Policy is applicable are aware of their duties in relation to compliance therewith.

The Compliance Department will be responsible for yearly revising the content of this Policy.

The main causes that can confirm a modification or update task are identified below:

- Changes in management approach or processes;
- Business Changes on the business objectives or strategies;
- Process or procedure modification;
- Amendments or update to regulatory framework;
- Changes deriving from the results obtained during follow-up and control activities;
- New policies or amendments to existing ones;

3. GENERAL PRINCIPLES

Without prejudice to the specific duties and obligations set down in this Policy, all Affected Individuals must provide services and carry out their work honestly, impartially and professionally, and always in the best interest of their customers. The following general principles of action must be respected, without prejudice to the provisions of the CaixaBank Group's Code of Ethics and General Policy Concerning Conflicts of Interest:

Independence: Parties Affected must act at all times with freedom of judgement and loyalty to CWML, its shareholders and customers, and independently of their own interests or the interests of any parties that may be related to them. Accordingly, they shall abstain from placing their own interests ahead of those of CWML, from placing those of CWML ahead of those of their customers, and from placing those of certain customers ahead of other customers.

Abstention: Affected Individuals must abstain from participating in or influencing decisions that may affect the persons or entities with whom a conflict exists, as well as from accessing inside or privileged Information that might affect that conflict.

Communication: Affected Individuals must inform Compliance Department of any conflicts of interest in which they may be involved due to their activities outside CWML, their family relationships, their personal assets, or for any other reason. This communication must be made as promptly as possible and, without fail, before reaching any decision that might be affected by the possible conflict of interest.

Any doubt as to whether or not a conflict of interest exists must be brought before the CWML Compliance Department which shall liaise with the other Internal control functions (as all internal control functions are in charge of identifying and managing conflicts of interest¹).

4. PURPOSE AND SCOPE

This Policy shall apply to all services, activities, departments and areas of CWML involved in the provision of investment services. In particular, it shall apply to all departments, areas and working groups that, because of their services or activities, are considered as separate areas, as defined in CWML's internal regulations and procedures.

5. SUBJECTIVE SCOPE

The Policy applies to all to all staff member of CWML as well as to the Authorized Management and members of the Board of Directors. In particular, it is applicable to Affected individuals as defined in the "definitions" Annex.

6. DEFINITION OF CONFLICTS OF INTEREST AND IDENTIFICATION OF POTENTIAL CONFLICTS

This Policy covers all kind of conflicts that might harm the interests of CWML's customers. The conflicts of interest into the following main groups:

- Those between CWML and its Clients;
- Those between CWML's Clients or groups of Clients;

¹ CSSF Circular 12/552, as amended, point 172.

- Those between the personal interests of CWML staff members and the interests of CWML or its Clients where those interests may be different;
- Those between a third party and the interests of CWML or its related parties where those interests may be different.
- Conflicts between CaixaBank Group entities: situations in which the interests of other CaixaBank Group entities might have an influence when providing investment services to customers by prioritising their interests.
- Conflicts between CWML areas, departments and work groups: i.e. situations in which conflicts might arise within CWML due to the differing nature of the activity of each area, which might generate conflicts resulting in a particular area not acting objectively.

In order to identify the types of conflicts of interest that might arise when providing investment or ancillary services, or a combination of the two, the existence of which may impair the interests of a customer, it is necessary to consider, at least, whether CWML or any other persons covered by the scope of application of this Policy might find themselves in any of the following situations, whether as a consequence of providing investment or ancillary services, engaging in investment activities, or for other reasons:

- (i) CWML or the Affected Individual can obtain a financial benefit or avoid a financial loss at the customer's expense.
- (ii) CWML or the Affected Individual has an interest in the result of a service provided to the customer or of a transaction carried out on behalf of the customer which is different to the interest of the customer in the result.
- (iii) CWML or the Affected Individual has financial or other incentives that favour the interests of another customer or group of customers over the interests of the customer.
- (iv) CWML or the Affected Individual engages in the same activity as the customer.
- (v) CWML or the Affected Individual receives, or is going to receive, an incentive from a person other than the customer in relation to a service provided to the customer, in the form of money, goods or services, in addition to the commission or habitual remuneration for the service.

Obtaining a benefit or avoiding a loss will not be sufficient to establish a conflict of interest unless it could also entail harm or loss for a customer.

It is not necessary that the risk of harm to one or more customers actually materialises. The mere existence of a potential risk of harming customers' interests warrants in itself the effective application of this Policy.

7. POTENTIAL CONFLICTS OF INTEREST IDENTIFIED

This policy aims at covering all conflicts of interest, for economic, personal, professional or political purposes, whether they are persistent or linked to a single event².

In this framework, when identifying the main sources³ of conflicts of interest, CWML considers the circumstances surrounding the investment services it provides, the persons involved, and the existence of potential scenarios that might undermine the interests of the customer.

The following circumstances have been identified (see **Annex II** for the mitigation measures) as potentially giving rise to a conflict of interest that might undermine the interests of customers :

1. **Main transactions:** One of the CWML's financial intermediaries could be involved in a transaction in which there is a predominant interest, and for which they are also the advisor, lender, etc. creating an incentive to place their interests above those of their customers.
2. **Loans to investors:** CWML may offer loans at less than market rates to investors on condition that the funds are used to subscribe to the instruments in an issuance, in order to try to guarantee its success.
3. **Reverse front running:** This conflict arises when CWML performs transactions for one customer to the detriment of those performed by other customers that might impact the market.
4. **Incompatibility of customer interests:** CWML may have relationships with two or more customers who have a conflict of interest between themselves.
5. **Involuntary cross selling and tied selling:** This situation arises when a customer is forced to acquire additional products or services to have access to a particular financial service or contract.
6. **Misleading information:** CWML may be reluctant to provide information on, for example, its own management (particularly if this is not positive), if this could harm business generation. This conflict may also arise when information is provided to customers about particular aspects that might be harmful to them or more beneficial to CWML (e.g. limiting information on alternative forms of funding in advice on corporate finance strategies in which the option of carrying out a securities issuance is offered as an alternative, while providing placement services for financial instruments).
7. **Biased advice:** CWML's capacity to guide the customer's investments, directing them to alternatives that foster CWML's interests, rather than those that best meet their needs.
8. **Excessive trading:** This conflict arises when CWML artificially increases the transactions associated with a customer's portfolio in order to increase its fee revenues.

² CSSF Circular 12/552, as amended, point 167.

³ *Ibid.*, point 169.

9. **Non-performance of order execution:** CWML may not carry out a customer order if this would be to its benefit. This could also arise if payment were delayed to increase liquidity.
10. **Loans for inappropriate investments:** CWML may tempt customers to leverage their investments through loans, exposing them to market risk and high borrowing costs.
11. **Conflicting analysis and advice:** Investment analysis may give rise to various conflicts of interest, such as:
 - conflicts deriving from the professional remuneration and promotion of the individual analyst;
 - conflicts with the provision of other investment services (basically and placement services and stock market intermediation services); and
 - conflicts with the shareholding of the company, the analyst or an employee of the company that is the subject of the report or recommendation.
12. **Inappropriate recommendations:** This conflict of interest arises when CWML offers its customers particular financial products or provides them with specific services that might objectively represent good investment options, but not the best option for the customers' needs.
13. **Biased portfolio management:** This conflict can arise in situations such as: (i) CWML or any other entity of CaixaBank's Group is involved in an IPO, and when it cannot place all of the stock it could be tempted to allocate unwanted stock to portfolios over which it has absolute discretion; (ii) when priority is given to proprietary or Group-entity products when offering products rather than third-party products that might offer better margins or returns; and (iii) when optimistic or pessimistic recommendations are given in situations where a Group entity is coordinating, managing a stock issuance, compared to a proprietary issuance.
14. **Customer privilege:** Important customers tend to receive better services than others (in other industries as well as financial services). A conflict of interest arises when this discrimination harms the interests of one customer segment to the benefit of another. This privilege has recently arisen in practices known as "market timing" and "late trading".
15. **Transfer of credit risk to investors:** This conflict can arise when CWML is highly exposed to a company whose credit risk has increased. CWML may therefore be tempted to help this company in the issuance of its instruments, transferring the credit risk from the financial institution to the investors.
16. **Inadequate use of privileged information:** This conflict arises when CWML acquires relevant information from a customer that has not been disclosed to the market, which it then uses for its own benefit or the benefit of its customers. This may arise, for example, when CWML, as the lender, obtains private information from the customer, which can be used to harm its interests ("misuse of private information").

17. **Biased allocation of transactions:** This conflict arises when CWML invests in a security jointly with its customers. This means that CWML can benefit from the acquisition, holding and settlement of an investment, to the detriment of its customers.
18. **Use of securities in custody with customer authorization:** This conflict involves the use of securities belonging to a customer that are in custody with CWML, which CWML uses for its proprietary trading or in transactions on behalf of other customers.
19. **Transactions not at market price:** This conflict arises when CWML has the capacity to simultaneously manage two or more portfolios, carrying out transactions between them that are not at market prices, so as to profit its own position or benefit some customers to the detriment of others.
20. **Sales in markets with limited liquidity:** Sales of securities on behalf of customers in markets that are not very liquid or transparent, obtaining a profit for itself or others.
21. **Incentives:** CWML and/or its employees may receive incentives, understood as any fee, commission or non-monetary benefit paid or received by CWML for providing an investment or ancillary service to a customer or the marketing and/or sale of financial instruments. For example, this conflict can arise in the following circumstances: (i) when CWML offers its customers financial instruments for which it receives greater economic rewards (e.g. because of higher fees), such that it has an implicit incentive to sell or recommend products considering its own interests, rather than those of its customers; and (ii) when CWML's agreements with third parties could induce or reward the marketing of a particular financial instrument or the provision of an investment service.
22. **Group issuances and placements:** This conflict arises when CWML markets financial instruments to its customers that it has issued or placed, considering its own interests rather than those of its customers.
23. **Loans to issuers:** This conflict arises when an issuer-customer has a loan from CWML that will be amortized through the funds obtained as a result of an issuance entrusted to CWML.
24. **Difference between similar products:** This conflict arises when orders are executed or decisions taken to trade OTC products, including tailored products, without checking the fairness of the price proposed to the customer by collecting the market data used in estimating the price for the product or, as far as possible, comparing it to similar or comparable products.
25. **Direct and indirect Investments:** This conflict arises when a financial instrument invests in or is benchmarked, directly or indirectly, against a financial instrument issued by a Group entity.
26. **Influence between areas:** This conflict relates to the capacity of some areas/departments of CWML to influence decisions by other areas/departments.

Business control units that provide investment services or take part in activities relating to the securities market identify relevant scenarios for potential conflicts of interest and inform the Compliance Department of the suitability of the measures adopted to manage any conflicts of interest liable to occur in such scenarios.

Any doubt as to whether or not a conflict of interest exists must be brought before Compliance Department, that shall inform the other internal control functions.

The Compliance Department shall include any incidents the internal control functions identify in this area in its regular report to Authorized Management and the Audit and Control Committee, pursuant to CWML's internal procedures and rules.

8. GENERAL MEASURES FOR THE PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

Having identified the circumstances likely to give rise to potential conflicts of interest, and it being impossible to avoid their existence, CWML has put the following measures in place to manage any potential conflicts of interest that might arise, and, within reason, to avoid significant risks of undermining the interests of its customers.

Consistent with CaixaBank Group internal policies, manuals and procedures setting out measures to prevent and manage conflicts of interest (such as, CaixaBank's Group Conflict of Interest Policy and CaixaBank Group's Code of Ethics), this Policy includes the main measures that underpin the prevention and management of conflicts of interest at local level.

These will be supplemented by any measures that CWML and its Group may deem necessary to manage new potential conflicts it identifies in its investment services activity.

These measures to prevent and manage conflicts of interest can be grouped into the following categories, depending on the subjects involved: some may be applicable to several categories:

- **Between CWML and its customers:**

- Control of proprietary dealings:

Any transactions performed by Affected Individuals on their own behalf and involving negotiable securities or financial instruments shall be subject to CWML 's internal regulations and procedures.

Supervision lines for business areas that could come into conflict with the interests of customers.

Internal policies and procedures to avoid the existence of incentives in the provision of investment services and/or in the marketing of financial instruments.

- **Between CWML customers**

- Priority of customer transactions:

Pursuant to applicable regulations, CWML has put in place a Policy on Best Execution⁴, which aims to obtain the best results for its customers, by providing a receipt, transfer and execution service for orders.

CWML's Policy on Best Execution establishes, *inter alia*, priority criteria for avoiding potential conflicts of interest.

- **Between CWML areas, departments and working groups**

- Determination of separate areas

Departments and working groups involved in activities related to the securities market have been established as separate areas within CWML, both in relation to the rest of the organisation and between each other, to prevent or control the exchange of inside information between Affected Individuals who participate in activities that generate the risk of a conflict of interest, when this exchange might prejudice CWML or the interests of one or more customers, and to avoid the flow of privileged information. Areas involved in proprietary portfolio management activities, third-party portfolio management, and market analysis and advice are considered to be separate areas.

Group companies that provide investment services or that carry out investment activities shall also be deemed separate areas, both between each other and with CWML departments engaged in such services or activities.

- Separate supervision of Affected Individuals

Separate supervision must be conducted of Affected Individuals, the duties of which involve performing investment activities or providing investment services on behalf of or to the benefit of customers with opposing interests or who represent different interests that could enter into conflict, including those of CaixaBank.

- Exercising undue influence

CWML will establish specific sanctions to stop any person exercising undue influence on the way in which an Affected Individual performs investment and ancillary services and activities.

- Simultaneous involvement in various activities and services

⁴ POL-LUX-035.

In order to impede an Affected Individual simultaneously or consecutively participating in investment services or activities when this involvement could be detrimental to the correct management of conflicts of interests, the Compliance Department of CWML shall identify the tasks performed by the Affected Individuals and analyse any possible incompatibilities that could arise, submitting a report to the relevant governance body.

- **Others**

- Policy on Remuneration⁵

The remuneration system for people involved in the analysis service and marketing activities for financial products, investment advice, discretionary portfolio management and, in general, the provision of any investment and ancillary services, may not under any circumstances be linked to the sale of particular products or investment banking transactions carried out by CaixaBank or any legal person linked to CWML. Neither may remuneration schemes be established that directly relate the remuneration of Affected Individuals who carry out different activities, or between the revenues generated by these people, where a conflict of interests might arise in relation to the activities they carry out.

CWML has therefore implemented adequate rules within its Policy on Remuneration. In addition, and according to the prevailing regulations, the CWML Compliance Department will regularly check the remuneration systems in place to ensure they comply with these principles and limits.

- Permitted incentives

CWML will provide Independent Advice and Discretionary Portfolio Management services; in this context, CWML shall not receive or keep inducements. Any inducement received shall be transferred to the client as soon as reasonably possible.

In respect of investment services where reception and or payment of inducements is permitted, CWML shall provide its investment services and perform investment activities with honesty, impartiality and professionalism, in the best interests of its customers.

CWML shall be able to pay or offer to a third party, or receive from a third party or individual acting on behalf of this third party, fees, commission or non-monetary considerations for providing an investment or ancillary service to a customer to the

⁵ See POL-LUX-008.

extent that this payment improves the quality of the service rendered to the customer and does not impede CWML from acting in the best interests of the customer. In these circumstances, before the investment or ancillary service is provided, CWML shall furnish the customer with full, accurate and understandable information on the existence, amount and nature of the fees, commission and benefits offered by CWML or the third party or, if it is not possible to calculate the amount, the method of calculating the aforementioned sum.

The aforementioned communication obligation does not refer to the fees that enable investment services to be rendered or other fees required for this purpose, such as custody fees, settlement or exchange fees, taxes or legal advisory fees, which, due to their nature, cannot enter into conflict with CWML 's duty to act with honesty, impartiality and professionalism and in the best interests of its customers.

Affected Individuals may not accept - for themselves or for their Related Persons - gifts, favours, gratifications or other benefits in relation to the work they perform at CWML, except in circumstances acceptable under CWML 's normal practices, as set down in its internal regulations.

In order to facilitate the identification of potential conflicts of interest that might arise in the provision of investment and ancillary services, a non-exhaustive list of potential conflicts of interest is provided in Annex II.

9. PROCEDURE FOR THE RESOLUTION OF IDENTIFIED CONFLICTS OF INTEREST

Any conflicts of interest shall be resolved by the head of the area or department in CWML involved. If several areas are affected, the conflict of interest shall be resolved by the immediate supervisor of all those areas. If none of these rules can be applied, it shall be resolved by the person appointed by the Compliance Department.

The following rules shall be followed when resolving conflicts of interest:

- (i) In the event of a conflict between CWML and a customer, the interests of the latter shall be protected.

- (ii) In the event of a conflict between customers:
 - a) neither party shall be favored;

- b) under no circumstances will customers be provided with the details of transactions performed by other customers;
- c) customers shall not be encouraged to perform a specific transaction for the purpose of benefiting another.

If the measures adopted by CWML are insufficient to guarantee, with reasonable certainty, that the risks of prejudicing customers' interests have been mitigated, CWML shall notify the affected parties of the nature and source of the conflict, and shall only be able to provide the services or perform the transactions giving rise to the conflicts of interest if authorized to do so by the customers. If no management measures are possible and the customers are not informed of this, the transaction shall not go through.

The Compliance Department of CWML shall be notified of the decision on the conflict and of any resulting issues or incidents.

10. PROCEDURE FOR REGISTERING SERVICES OR ACTIVITIES THAT GIVE RISE TO CONFLICTS OF INTEREST

Conflicts that arise but were not identified as potential in the scenarios analysed by the business areas, or that have been managed other than as initially envisaged in internal procedures shall be communicated to the Compliance Department, which will analyse the proposed management and resolution, and include these in the conflicts of interest register. In addition, the separate areas will include these new conflicts as potential conflicts of interest in their procedures.

The Compliance Department shall keep an updated register of the types of investment and ancillary services provided or investment activities performed by or on behalf of CWML where conflicts of interest have arisen leading to a significant risk of damaging the interests of one or more customers or, in the case of an ongoing service or activity, of those where a conflict of this type could occur.

The following information shall be recorded and numbered correlatively in the register in a clear manner that cannot be manipulated:

- (i) The identity of the Affected Individuals that have been exposed to the conflict of interest;
- (ii) The date on which the conflict arose;
- (iii) The instruments or services involved in the conflict;
- (iv) The reason for the conflict arising and an exhaustive description of the situation;
- (v) A description of the process of managing, minimizing or, where applicable, mitigating the conflict.

If a conflict of interest is identified, it must be registered by the employee following the procedure established by Business Control, and notified to the Compliance Department at CWML.

11. COMMUNICATIONS AND NOTICES TO CUSTOMERS CONCERNING CONFLICTS OF INTEREST

The Department responsible for providing investment services must provide customers to whom they render or perform investment services or activities involving financial instruments governed by securities market regulations with the following, prior to these services or activities being contracted:

- a) a summary of CWML 's conflicts of interest policy setting out the general procedures and measures established to mitigate and handle conflicts of interest.
- b) the full version of this Policy will be available to the customer on the CWML website. The customer may request a hard copy of this at any time.

Should the measures adopted by CWML be insufficient to guarantee, with reasonable certainty, the prevention of risks of prejudicing customers' interests due to a conflict of interest, CWML shall notify the customer in printed form of the nature and source of the conflict, before acting on their behalf.

It shall include the following data to enable the customer to make an informed decision given the cause of the conflict:

- (i) The existence of the conflict.
- (ii) The general nature of the conflict and the source thereof.
- (iii) The possible impacts that the conflict could have in the context of the corresponding investment service rendered or activity performed.
- (iv) The measures adopted to mitigate the conflict of interest.

Disclosing the existence of a conflict of interest to the customer must be considered a last resort, only to be used when the organisational and administrative measures established to prevent and manage such conflicts prove insufficient to ensure the prevention of the risk of harm to the customer's interests.

12. TRAINING REGARDING CONFLICTS OF INTEREST

All Affected Individuals, including those joining CWML, must receive general training on the content of this Policy and, in particular, the specific content affecting them individually. Training

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updates shall be given in the event that established requirements and procedures are modified, either in response to new regulations affecting these requirements or to make the identification, prevention and management of conflicts of interest more effective.

13. POLICY GOVERNANCE AND RESPONSIBILITIES

All employees are responsible for compliance with this policy. CWML Authorized Management is responsible for ensuring that the systems and controls established comply with the requirements of applicable regulations.

Authorized management shall therefore:

- Be involved in identifying and managing conflicts;
- Be aware of the conflicts identified and the mitigation measures in the business areas under their supervision;
- Oversee the implementation of the policies and procedures implemented to ensure consistent treatment of conflicts and ensure fair treatment for customers throughout CWML;
- Ensure that it receives information on the conflicts that arise and how they are managed.

The business areas and business control units are the first line of defense in the corporate three-lines-of-defense model. They are responsible for identifying, recording and reporting potential conflicts of interest to the Compliance Department.

As the second line of defense, the Compliance Department regularly reviews the content of this policy and assesses its fit with regulatory requirements applicable in Luxembourg, and the internal policies of the CaixaBank Group, and the effectiveness of the measures adopted.

The Internal Audit function provides an independent assessment as the third line of defense, so that an opinion can be formed of the adequacy of management procedures and systems.

ANNEX I – DEFINITIONS

The following terms are used for the purposes of this Policy:

Term	Definition
CWML	Refers to CaixaBank Wealth Management Luxembourg S.A.
Affected Individuals	Means all CWML employees, including contracted and subcontracted employees, related agents, executives and members of the Board of Directors.
Related Persons	<p>Means the following people:</p> <ul style="list-style-type: none"> a) People with a family relationship up to the second degree with an Affected Individual, whether through blood or marriage (ascending, descending, siblings, spouses and persons related by analogous relationships) pursuant to prevailing legislation, and the children of a spouse or common-law partner in the care of the Affected Individual. b) Any legal person, trust or partnership in which the Affected Individual or the persons indicated in the previous paragraph discharges managerial responsibilities or that are directly or indirectly controlled by such a person, or that has been set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such a person. <p>Control is deemed to exist over any legal person when:</p> <ul style="list-style-type: none"> ▪ 20% or more of the voting or economic rights of that legal person are held directly or indirectly, or through a relationship of control; or ▪ Any of the following requirements are met: <ul style="list-style-type: none"> i. a majority of voting rights are held; ii. the person concerned has authority to appoint or remove the majority of the members of the governing body; iii. by virtue of agreements with third parties, the majority of voting rights can be controlled; iv. the party concerned has appointed the majority of members of the governing body.

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| | <p>c) Legal persons with which the person affected by the conflict of interest, or any of the persons described in paragraphs (a) or (b) above, has economic ties due to their direct or indirect ownership of a stake or interest in that legal person exceeding 5% of its share capital, or at which they hold an executive post.</p> |
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ANNEX II – NON-EXHAUSTIVE LIST OF POTENTIAL CONFLICTS OF INTEREST AND MITIGATING MEASURES FOR EACH INVESTMENT AND ANCILLARY SERVICE

Potential conflict of interest	Services affected	Management measure
1. Main transactions:	<ul style="list-style-type: none"> ▪ Receipt and transmission of customer orders ▪ Granting of loans ▪ Investment analysis 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Physical separation measures ▪ Best execution policy ▪ Remuneration policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
2. Loans to investors	<ul style="list-style-type: none"> ▪ Granting of loans ▪ Placement 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Remuneration policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
3. Reverse front running	<ul style="list-style-type: none"> ▪ Receipt and transmission of customer orders ▪ Execution of customer orders 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Best execution policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
4. Incompatibility of customer interests	<ul style="list-style-type: none"> ▪ Receipt and transmission of customer orders ▪ Execution of customer orders ▪ Investment advisory services ▪ Advice to companies ▪ Discretionary portfolio management 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Communication and notification to customers ▪ Training and other internal policies and procedures

5. Involuntary cross selling and tied selling	<ul style="list-style-type: none"> ▪ Receipt and transmission of customer orders ▪ Execution of customer orders ▪ Investment advisory services ▪ Advice to companies ▪ Granting of loans ▪ Discretionary portfolio management 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Remuneration policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
6. Misleading information	<ul style="list-style-type: none"> ▪ Receipt and transmission of customer orders ▪ Execution of customer orders ▪ Discretionary portfolio management ▪ Underwriting ▪ Placement ▪ Advice to companies 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Training and other internal policies and procedures
7. Biased advice	<ul style="list-style-type: none"> ▪ Investment advisory services ▪ Advice to companies ▪ Discretionary portfolio management ▪ Execution of customer orders 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Best execution policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
8. Excessive trading	<ul style="list-style-type: none"> ▪ Receipt and transmission of customer orders ▪ Execution of customer orders 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Best execution policy ▪ Remuneration policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
9. Non-performance of order execution	<ul style="list-style-type: none"> ▪ Receipt and transmission of customer orders ▪ Execution of customer orders ▪ Discretionary portfolio management ▪ Dealing on own account. 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Best execution policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures

10. Loans for inappropriate investment	<ul style="list-style-type: none"> ▪ Granting of loans ▪ Placement 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Remuneration policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
11. Conflicting analysis and advice	<ul style="list-style-type: none"> ▪ Investment analysis ▪ Underwriting ▪ Placement ▪ Receipt and transmission of customer orders ▪ Execution of customer orders 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Physical separation measures ▪ Best execution policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
12. Inappropriate recommendations	<ul style="list-style-type: none"> ▪ Investment advisory services ▪ Advice to companies ▪ Discretionary portfolio management ▪ Underwriting ▪ Placement 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Hierarchic levels within separate areas ▪ Physical separation measures ▪ Duty of loyalty, impartiality abstention and information ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
13. Biased portfolio management	<ul style="list-style-type: none"> ▪ Discretionary portfolio management ▪ Dealing on own account. ▪ Underwriting ▪ Placement 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
14. Customer privilege	<ul style="list-style-type: none"> ▪ Investment advisory services ▪ Advice to companies ▪ Discretionary portfolio management ▪ Placement 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
15. Transfer of credit risk to investors	<ul style="list-style-type: none"> ▪ Advice to companies ▪ Dealing on own account. ▪ Placement 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ General duties in relation to privileged information

		<ul style="list-style-type: none"> ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
16. Inadequate use of privileged information	<ul style="list-style-type: none"> ▪ Affects all investment and ancillary services 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Physical separation measures ▪ General duties in relation to privileged information ▪ Training and other internal policies and procedures
17. Biased allocation of transactions	<ul style="list-style-type: none"> ▪ Discretionary portfolio management ▪ Dealing on own account. ▪ Execution of customer orders 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Best execution policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
18. Use of securities in custody with customer authorisation	<ul style="list-style-type: none"> ▪ Dealing on own account. ▪ Discretionary portfolio management ▪ Securities custody and administration 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
19. Transactions not at market price	<ul style="list-style-type: none"> ▪ Discretionary portfolio management ▪ Dealing on own account. ▪ Execution of customer orders 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Best execution policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
20. Sales in markets with limited liquidity	<ul style="list-style-type: none"> ▪ Receipt and transmission of customer orders ▪ Execution of customer orders ▪ Discretionary portfolio management 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Best execution policy ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
21. Incentives	<ul style="list-style-type: none"> ▪ Affects all investment and ancillary services 	<ul style="list-style-type: none"> ▪ Remuneration policy ▪ Permitted incentives

		<ul style="list-style-type: none"> ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
22. Issuances not at market price	<ul style="list-style-type: none"> ▪ Advice to companies 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Physical separation measures ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
23. Group issuances, placements and/or underwriting	<ul style="list-style-type: none"> ▪ Underwriting ▪ Placement ▪ Placement advice to companies ▪ Receipt and transmission of customer orders ▪ Investment advisory services ▪ Discretionary portfolio management 	<ul style="list-style-type: none"> ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
24. Loans to issuers	<ul style="list-style-type: none"> ▪ Granting of loans ▪ Advice to companies ▪ Underwriting ▪ Placement 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Physical separation measures ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
25. Difference between similar products	<ul style="list-style-type: none"> ▪ Underwriting ▪ Placement ▪ Placement advice to companies ▪ Receipt and transmission of customer orders ▪ Investment advisory services ▪ Discretionary portfolio management 	<ul style="list-style-type: none"> ▪ Communication and notification to customers ▪ Training and other internal policies and procedures

26. Direct and indirect Investments	<ul style="list-style-type: none"> ▪ Affects all investment and ancillary services 	<ul style="list-style-type: none"> ▪ Communication and notification to customers ▪ Training and other internal policies and procedures
27. Influence between areas	<ul style="list-style-type: none"> ▪ Affects all investment and ancillary services 	<ul style="list-style-type: none"> ▪ Determination of separate areas ▪ Communication and notification to customers ▪ Training and other internal policies and procedures

ANNEX III – LEGAL FRAMEWORK

There follows a list of regulations making up the regulatory context of this Policy:

- The amended law of 5 April 1993 on the financial sector;
- The Grand-ducal Regulation of 13 July 2007 relating to organizational requirements and rules of conduct in the financial sector;
- Commission Directive 2010/43/EU of 1 July 2010, implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company;
- CSSF Regulation No 10-04 transposing Commission Directive 2010/43/EU of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards organisational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company;
- CSSF Circular 12/552 on central administration, internal governance and risk management, as lastly amended by the CSSF Circular 22/807;
- Grand-ducal Regulation of 30 May 2018 on the protection of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;
- Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.

ANNEX IV – VERSION HISTORY

This Policy has been previously updated as follows:

Previous versions	Owner	Aut. Mgmt. Date Approval	BoD Date Approval
v1.0	Compliance	2 March 2020	10 March 2020
v2.0	Compliance	15 March 2021	25 March 2021
v3.0	Compliance	28 February 2022	28 March 2022