INTERNAL CODE OF CONDUCT OF INVESTMENT FIRMS

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CHAPTER I.- INTRODUCTION.

Article 1.- Purpose of the Internal Code of Conduct

This Entity is an Investment Firm and, as such, its main purpose consists of providing investment services.

In the provision of investment services, the Entity — itself and its employees, attorneys in fact, executives, directors and other persons detailed in Article 2 of this Code — is required, in general, to comply with the rules of conduct contained in the legislation in force governing securities markets and, in particular, those contained in this internal code of conduct.

This Internal Code of Conduct has been prepared by the Entity in compliance with section 67.2, letter i) of Spanish Law 24/1988, 28 July, on Securities Markets and section 14 g) of Spanish Royal Decree 217/2008, of 15 February, regulating the legal regime for Investment Firms and, in accordance with Spanish Royal Decree 1333/2005, of 11 November, implementing Spanish Law 24/1988, of 28 July, on Securities Markets, in relation to market abuse and, insofar as it applies, Spanish Royal Decree 1309/2005, of 4 November, approving the Regulations of Spanish Law 35/2003, of 4 November, on collective investment undertakings and adapts to the tax regime for collective investment undertakings and Circular 4/1997, of 26 November of the Spanish National Securities Market Commission (CNMV), regarding valuation criteria and conditions for collective investment in unlisted securities.

It is the duty of all employees of the Entity, insofar as it applies to them, and of the competent persons, to be familiar with these Rules of Conduct to the extent they may apply to the particular function that each one of them must perform.

ARTICLE 2.- General provisions.

The persons subject to this Code, as defined in the following article, must adapt their actions to the following principles on which the Entity bases its actions:

1. Act diligently and transparently in the best interest of their customers and upholding the integrity of the market, protecting such interest as if they were their own and, in particular, they will observe the rules of conduct of the securities markets.

   Specifically, the Entity will not consider that they are acting diligently and transparently and in the interest of their customers if, in relation to the provision of the investment or ancillary service, they pay or receive from any third party other than the customer or anyone who does not act on their behalf, any fee or commission or contributes or receives any unnecessary non-monetary benefit that does not increase the quality of the service provided to the customer or that may hinder acting in the optimum interest of the customer. They may only receive from third parties those payments envisaged in the incentive system established by the Entity and provided that it is disclosed to the customer.

2. In their relationship with customers, prior to providing the service, they will notify them whether they will be classified as professionals or retailers and other information arising therefrom. Likewise, the Entity, will obtain from its customers, including potential customers, all the information necessary to understand their essential data and, in accordance with that data, assess the appropriateness of the investment products and services offered by the Entity or requested by the customer or the suitability of the

specific transactions recommended or performed on their behalf when personalised advisory or portfolio management services are provided.
The information obtained from customers will be confidential and may not be used for its own benefit or the benefit of third parties nor for purposes other than those for which it was requested.

3. Inform customers in a manner that is clear, precise, sufficient and not misleading and at the appropriate time. If any incident arises in relation to transactions arranged by customers, the Entity will inform the customer as quickly as possible and will immediately gather new instructions if necessary in the interest of the customer. Only when this is not possible in the interest of speed, will the Entity proceed to implement itself the measures that, based on prudence, are in keeping with the interests of the customer.

   Specifically, customers, including potential customers, will be furnished appropriate information that is clear and understandable on:

   a. The entity and the services it provides
   b. The financial instruments and investment strategies
   c. The order execution venues
   d. The conflict of interest policy
   e. The associated expenses and costs
   f. Where applicable, the incentives system

   All the foregoing so that they can understand the nature and risks of the investment service and the specific type of financial instrument offered to them so that they may make informed investment decisions.

4. Act honestly, impartially and professionally, guaranteeing that customers are treated equally, avoiding prioritising certain customers over others when distributing recommendations and reports and informing them of any possible conflict of interest in relation to the advisory or investment services provided.

5. Manage the matters entrusted to them by their customers diligently, prudently and in an orderly manner. In particular, when the Entity processes and executes orders:

   a. It will always act in accordance with the order execution policy established by the Entity, inform the customer of the policy and obtain their authorisation before applying it.
   b. It will process its customers' orders in a manner that enables then to be rapidly and properly executed following the order management procedures and systems adopted by the Entity. If accumulated orders are going to be executed, the Entity will apply the procedures established by tit aimed at verifying that investment decisions on behalf of each customer are adopted before transmitting the order and guaranteeing equity and that there is no discrimination among customers through pre-established criteria and objectives for the distribution or breakdown of these transactions.

6. The agreements entered into with retail customers will be formalised in writing, specifying the parties' rights and obligations and other conditions under which the Entity will provide the investment service to the customer and it will ensure that they are properly recorded and stored.

Article 3.- Scope of application

3.1. Entities subject to the Internal Code of Conduct

This Internal Code of Conduct applies to …….. and the following entities of its group:

3.2. Persons subject to the Internal Code of Conduct

This Internal Code of Conduct will apply to the Persons Subject to it.

Persons Subject to the Internal Code of Conduct are:

- Competent persons, meaning, in accordance with section 2, c) of Spanish Royal Decree 217/08, of 15 February, the following:

    - A director, shareholder, executive or agent of the Entity.
    - A director, shareholder or executive of any agent of the Entity.
    - An employee of the Entity or of an agent of the Entity, as well as any other natural person whose services are made available and under the control of the Entity or of an agent of the Entity and any participant in the performance by the Entity of investment services.
    - A natural person who participate directly in the provision of services to the Entity or to its agent, pursuant to a delegation agreement, for the provision by the Entity of investment services.

    The Entity will inform the competent persons of the fact that they have this status.

- All employees of the Entity in the cases indicated in this Internal Code of Conduct.

The Entity has designated an "Internal Code of Conduct Monitoring Body" [each entity will designate which persons or departments perform this function]. The Internal Code of Conduct Monitoring Body will prepare and maintain up-to-date a list of Persons Subject to the Internal Code of Conduct that will be available to the corresponding administrative authorities.

CHAPTER II.- PERSONAL TRANSACTIONS

Article 4.- Reporting of transactions.

1. All competent persons who make any of the personal transaction described in the following article, must report it immediately after its execution (and always within the following 48 hours) to the Internal Code of Conduct Monitoring Body.

   The Entity may make personal transactions related to certain securities — which will be specifically indicated — subject to the competent person obtaining prior authorisation from the Internal Code of Conduct Monitoring Body. All competent persons are obliged to comply with that resolved by the Internal Code of Conduct Monitoring Body with regard to personal transactions.

2. The Internal Code of Conduct Monitoring Body will keep a record (manual or computerised) that will include all personal transaction reports, as well as the requests for authorisation and the resolutions of the Monitoring Body. This record will be stored for the five years following preparation of the corresponding report.

3. If there are agreements for the delegation of essential functions or services between the Entity and a third-party company — service provider — the Entity will ensure that the Company to which it has delegated the corresponding activity, keeps a record of the personal transactions undertaken by any competent person and that it provide this information to the Entity as soon as possible, when requested by the Entity.

4. Without prejudice to the preceding paragraphs, all employees of the Entity, regardless of whether they are competent persons and all competent persons who are not employees, to the extent that they have this status, will report, at least once every six months (within 10 calendar days of the end of each calendar half yearly period), all of the transactions undertaken during that six-month period, to the Internal Code of Conduct Monitoring Body.

   The Entity may waive this report for transactions that have already been reported or that have been carried out through the Entity and the Internal Code of Conduct Monitoring Body has the aforementioned information.

Article 5.- Definition of personal transactions

Personal transactions are any transactions with a financial instrument undertaken by a competent person or on their behalf when one of the following requirements is met:

a) The competent person acts outside the scope of the activities that correspond to them pursuant to their duties at the Company.

b) The transaction is performed on behalf of any of the following persons:

   i. The competent person;

   ii. Any person with which the competent person has a family relationship or maintains a close relationship[1].

[1] Close relationship will mean any group of two or more natural persons or legal entities joined through:

a) The fact that they hold directly or indirectly, or through a control relationship, 20% or more of the voting rights or the share capital of a company, or

b) A control relationship under section 4 of Spanish Law 24/1988, of 28 July, on the Securities Market.

iii. A person whose relationship with the competent person is such that the latter has a significant direct or indirect interest in the result of the transaction. No interest will be considered to exist by the mere collection of the fees or commissions owed or execution of the transaction.

Article 6.- Prohibited transactions and measures to be adopted

1. In accordance with section 70 (c) of Spanish Law 24/1988, of 28 July, competent persons are strictly prohibited from carrying out a personal transaction, whenever one of the following occurs:

   I. The transaction is prohibited for that person pursuant to Chapter II of Title VII of Spanish Law 24/1988, of 28 July and its implementing provisions (see Chapter III of this Internal Code of Conduct).

   II. The transaction entails the inappropriate use or improper disclosure of confidential information.

   III. There is or may be a conflict between the transaction and an obligation of the Entity pursuant to Spanish Law 24/1988, of 28 July and its implementing provisions (see Chapter V of this Internal Code of Conduct).

2. Advising or assisting another person, outside the normal performance of their job or, where applicable, of their service agreement, to perform a transaction with financial instruments that, if it were a personal transaction of the competent person, would fall within that set forth in the preceding paragraph is also strictly prohibited.

3. The dissemination, except in the normal performance of their job or the service agreement, of any information or opinion held by a competent person, to any other person when the competent person knows, or reasonably may know, that, as a result of the aforementioned information the other person may, or presumably may, carry out any of the following actions is also strictly prohibited:

   a) Execute a transaction in financial instruments that, if it were a personal transaction of the competent person, it would be subject to the prohibitions established in the preceding paragraphs.

   b) Advise or assist another person to execute the aforementioned transaction.

4. The Entity, through the Regulatory Compliance Function, will inform the competent persons of the specific restrictions existing in relation to personal transactions and the measures that the Entity has established in relation to personal transactions and the disclosure of information, in accordance with the preceding paragraphs.

5. Article 4 will not apply to the following personal transactions and, therefore, the persons subject to the Internal Code of Conduct may execute them without having to report them:

   a) Personal transactions undertaken within the framework of the provision of the discretionary and personalised investment management service for investment portfolios when there is no prior report regarding the transaction between the portfolio manager and the competent person or another person on whose behalf the transaction is undertaken. In these cases, the person subject to the Internal Code of Conduct must inform the Monitoring Body of the intention to contract this service, indicating the entity with which the service is going to be

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Person with which the competent person has a family relationship will mean:

1) The competent person's spouse or spousal equivalent in accordance with national legislation.
2) The children or stepchildren for which the competent person is responsible.
3) Any other relatives that have lived with them for at least one year prior to the date of the personal transaction in question.

contracted, and expressly stating their commitment to provide information regarding the movements and make-up of their managed portfolio to the Entity, at the request of the Internal Code of Conduct Monitoring Body.

b) Personal transactions related to units or shares in collective investment undertakings, harmonised or that are subject to supervision in accordance with a Member State's national law that establishes a level equivalent to community law with regard to the distribution of risks among their assets, provided that the competent person or any other person on whose behalf the transaction is undertaken does not participate in the management of the undertaking as defined in section 64.a of the Regulations of Spanish Law 35/2003, of 4 November, on Collective Investment Undertakings, approved by Spanish Royal Decree 1309/2005, of 4 November, unless the Entity establishes otherwise.

c) Personal transactions the object of which is the acquisition or disposal of a state or autonomous community government bond.

CHAPTER III.- MARKET ABUSE

Article 7.- Confidentiality of the information

1. Persons who have information related to the specific activities of the Entity or who have participated or may participate in activities of the Entity where they have access to insider information or information that may be insider information, are obligated to keep this information confidential, and not provide it to any person or entity unless it is part of the ordinary performance of their work at the Entity or legal obligations.

   This duty of confidentiality, with regard to insider information will be regulated by that set forth in this Chapter.

2. When an employee or a competent person has access to Insider Information or should know that it is Insider Information, outside the normal performance of their functions at the Entity, they should report it immediately to the Regulatory Compliance function.

Article 8.- Insider Information

1. In accordance with section 81.1 of Spanish Law 24/1988, of 28 July, on the Securities Market, insider information will be considered all information of a specific nature that refers directly or indirectly to one or various marketable securities or financial instruments of those included within the scope of application of Spanish Law 24/1988, of 28 July, or one or various issuers of the aforementioned marketable securities or financial instruments, that has not been made public and that, if it does or were to become public could noticeably influence or would have influenced its market price. For the purposes of the aforementioned law, in addition to the price of the corresponding marketable securities or financial instruments, the price of the derivative financial instruments related thereto will also be included within the concept of market price.

   With regard to persons in charge of executing the orders related to the marketable securities or financial instruments, all information communicated by a customer in relation to their own pending orders that is specific and that refers directly or indirectly to one or various issuers of securities or financial instruments or to one or various securities or financial instruments and that, if it became public, could significantly impact the market price of the aforementioned securities or financial instruments or the market price of the derivative financial instruments related thereto, will also be considered insider information.

   When the information could be used by a reasonable investor as a part of the basis for their investment decisions, it will be considered capable of noticeably influencing the market price.

   In addition, the information will be considered specific if it indicates a series of circumstances that arise or are reasonably expected to arise, or an event that has occurred or may reasonably be expected to occur when this information is sufficiently specific as to enable a conclusion to be reached regarding the possible effect of that series of circumstances or events on the prices of the corresponding negotiable securities or financial instruments or, where applicable, of the derivative financial instruments related thereto.

2. In relation to commodity derivatives, all specific information that has not been made public and that refers directly or indirectly to one or several of the derivative financial instruments that the users of the markets in which those products are traded would expect to receive pursuant to the accepted market practices in the aforementioned markets will be considered insider information.

In any event, it will be understood that users of the markets mentioned in the preceding paragraph would expect to receive information related, directly or indirectly, to one or various derivative financial instruments when this information:

a) Is regularly made available to users of these markets; or

b) Must be disclosed pursuant to legal or regulatory provisions, market rules, contracts or customs of the underlying commodity market or of the commodity derivatives market in question.

3. The matters that Insider Information may relate to, frequently include, but are not limited to:

- Relevant corporate transactions, such as: the formulation of a takeover bid, agreements for the merger or disposal of companies, purchases or sales of company shares that change the control thereof, purchase or disposal of significant corporate assets;
- Presentation by a listed company of financial information or results that differ significantly from expectations.
- Substantial modifications to a company's shareholder remuneration policy.
- Significant modifications to the share capital of an issuer.
- Information on significant purchase or sale orders for certain securities.
- Other similar events or situations

Article 9.- Measures necessary to impede the flow of insider Information

1. To prevent the flow of insider information between its various areas of activity, to guarantee that each such area takes their decisions related to the securities markets independently and, likewise, to avoid conflicts of interest, the Entity has taken into account the following obligations established by the Spanish Securities Market Act. Specifically:

a) To establish separate areas of activity within the Entity or the group to which it belongs. In particular, to establish as separate areas, at least, each department that performs activities related to own portfolio management, third-party portfolio management, investment advisory services and analysis activities.

To that end, the Entity has established Separate Areas that it considers adequate to comply with the foregoing. It has also established specific rules that regulate the flow of information within the Entities, preventing it from flowing between Separate Areas and will inform the employees and competent persons of the manner in which they will be affected by these measures.

The Separate Areas established by the Entity are the following:

b) To establish adequate information barriers between each separate area and the rest of the organisation and between each one of the separate areas.

c) To define a system for investment decisions that guarantees that decisions are adopted independently within the separate area.

d) To prepare and maintain up-to-date a list of securities and financial instruments in relation to which insider information is available and a list of people and dates on which they had access to such information.

2. All employees of the Entity, as well as competent persons, must know to which Separate Area they belong and comply with all the obligations that arise for them to comply with and better implement the measures listed above.

Article 10.- List of restricted securities

The Entity will gather from the various Separate Areas and, through the Internal Code of Conduct Monitoring Body, will maintain permanently up-to-date a list of the securities with regard to which insider information is available and will indicate to the persons who have access to it, the nature of the aforementioned information, its status and the consequences thereof.

Likewise, the Internal Code of Conduct Monitoring Body, will keep a comprehensive list of all the persons who have had access to insider information with regard to any security or customer.

Insider information may never be disseminated to other persons or other separate areas by those who have access to it.

Persons to whom this information must be transmitted and of whom the transmitter notifies the compliance function and obtains its authorisation are excluded from the foregoing. Those who receive this information will be obliged, in turn, not to disclose it.

The Entity's senior management bodies that are hierarchically above those responsible for the separate areas may share insider information provided that it is justified for the performance of their management and control functions. In each case, this circumstance will be communicated to the Internal Code of Conduct Monitoring Body.

Article 11.- Market manipulation

1. The following behaviour will be considered practices that distort the free formation of prices, i.e., practices that constitute market manipulation, for the purposes of section 83 (c) of Spanish Law 24/1988, of 28 July, among others:

    a. One or various persons acting together to ensure a dominant position in relation to the supply or demand of a security or financial instrument resulting in, directly or indirectly, establishing purchase or sale prices or other unfair trading conditions.

    b. The sale or purchase of a security or financial instrument when the market closes for the purpose of misleading investors that act based on closing prices.

    c. Taking advantage of occasional or periodic access to traditional or electronic media expressing an opinion regarding a security or financial instrument or, directly regarding the issuer, after having taken positions in relation to that security or financial instrument and having benefited, therefore, from the effects of the opinion expressed on the price of the aforementioned security or financial instrument, without having simultaneously communicated this conflict of interest to the public in an appropriate and effective manner.

    d. Transactions or orders:

        - That provide or may provide false or misleading indications with regard to the supply, demand or price of the marketable securities and financial instruments.
        - That ensure, through one or several persons who act together, the price of one or various financial instruments at an abnormal or artificial level, unless the person who carried out the transactions or issued the orders shows the legitimacy of the reasons and that they are in line with accepted market practices in the regulated market in question.

    e. Transactions or orders that use fictitious devices or any other form of deception or contrivance.

f. Dissemination of information through the media, including the Internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply, demand or price of financial instruments, including the dissemination of rumours and false or misleading news, when the person who disclosed them new or should have known that the information was false or misleading.

2. Employees of the Entity and competent persons are strictly prohibited from engaging in any of the practices or making any of the transactions or orders mentioned in the preceding paragraphs.

3. When analysing whether an order or transaction constitutes a practice that distorts the free formation of prices, i.e., market manipulation, at least the following evidence will be taken into account:

   a. To what extent the orders given to trade or the transactions undertaken represent a significant proportion of the daily volume of transactions of the security or financial instruments in question in the corresponding regulated market, in particular when the orders given or the transactions undertaken produce a significant change in the price of the financial instrument.

   b. If the orders to trade given or transactions undertaken by persons with a significant buying or selling position in securities or financial instruments lead to significant changes in the price of the financial instrument or related derivative or underlying asset admitted to trading on a regulated market.

   c. The extent to which transactions undertaken, either between persons or entities that act one on behalf of the other, between persons or entities that act on behalf of the same person or entity or undertaken by persons who act on behalf of another, lead to no change in beneficial ownership of a security or financial instrument admitted to trading on a regulated market.

   d. When the orders to trade given or the transactions undertaken include position reversals in a short period and represent a significant proportion of the daily volume of transactions in the relevant security or financial instrument on the regulated market concerned, and might be associated with significant changes in the price of a security or financial instrument admitted to trading on a regulated market;

   e. The extent to which orders to trade given or transactions undertaken are concentrated within a short time span in the trading session and lead to a price change that is subsequently reversed.

   f. If the orders to trade given change the representation of the best bid or offer prices in a security or financial instrument admitted to trading on a regulated market, or more generally, the representation of the order book available to market participants and are removed before they are executed.

   g. When orders to trade are given or transactions are undertaken at or around a specific time when reference prices, settlement prices and valuations are calculated and lead to price changes that have an effect on such prices and valuations.

   h. If orders to trade given or transactions undertaken by persons are preceded or followed by dissemination of false or misleading information by the same persons or persons linked to them.

   i. If orders to trade are given or transactions are undertaken by persons before or after the same persons or persons linked to them produce or disseminate research or investment recommendations that are erroneous or biased or demonstrably influenced by material interest.

Article 12.- Reporting of suspicious transactions

1. Any employee of the Entity or competent person who has evidence that an order or transaction of a customer is suspected of using insider information or market manipulation, in accordance with the preceding articles of this Internal Code of Conduct and in the regulations applicable at any given time, must report it immediately to the Internal Code of Conduct Monitoring Body, without informing the relevant customer thereof.

2. Without prejudice to the foregoing, all employees of the Entity and competent persons, must comply with that required of them by the Entity, within the internal procedures that it has implemented in each case so that the Entity may comply with the obligation established in section 83 (d) of the Spanish Securities Market Act that establishes that entities who undertake transactions with financial instruments must inform the Spanish National Securities Market Commission as quickly as possible when they consider that there is reasonable evidence to suspect that a transaction uses insider information or constitutes a practice that distorts the free formation of prices.

   The aforementioned article also establishes that entities that report suspicious transactions to the Spanish National Securities Market Commission will be obliged to remain silent regarding the aforementioned report, unless, where applicable, that set forth in the legal provisions in force indicates otherwise. In any event, reporting in good faith will not entail liability of any type nor will it entail a violation of the prohibitions on disclosing information pursuant to the agreements or legal, regulatory or administrative provisions.

CHAPTER IV.- CONFLICTS OF INTEREST

Article 13.- Conflict of Interest Management Policy.

1. A conflict of interest is considered to exist between the Entity and one of its customers or between two customers of the entity when, in a particular situation, the Entity may obtain a benefit, provided that there is also a potential correlative harm for a customer, or when a customer may obtain a gain or avoid a loss and there is a possible concomitant loss for another customer.

   When identifying whether a situation could potentially give rise to a conflict of interest, as a minimum criteria, the Entity takes into account whether itself or a competent person or another person directly or indirectly related to it through a relationship of control is in one of the following situations:

   a. The Entity or the person in question can obtain a financial benefit, or avoid a financial loss, at the cost of the customer, or,

   b. has an interest in the outcome of the service provided or the transaction undertaken on behalf of the customer, other than the interest of the customer itself in that outcome, or,

   c. has financial incentives or incentives of any other type to favour the interests of third-party customers, over the interests of the customer in question, or,

   d. the professional activity is identical to that of the customer, or,

e. receives or is going to receive, from a third party an incentive in relation to the service provided to the customer, in cash, goods or services, other than the customary commission or remuneration for the service in question.

2. The Entity maintains a Conflict of Interest Management Policy that is effective and appropriate given the size and organisation of the Company and the nature, scale and complexity of its activity. This Policy is reflected in writing and takes into account any circumstance arising from the structure and activities of other entities of the group that the Entity is aware may or should be aware may cause a conflict of interest. The aforementioned Policy includes notifying customers of situations in which the conflict of interest cannot be avoided.

3. All employees of the Entity and competent persons, when their function or activity may be affected by this Policy, must be familiar with it and comply with all its terms.

Article 14.- Reporting of conflicts of interest by employees and competent persons

1. Without prejudice to the preceding article, all employees of the Entity and all competent persons, must inform the Entity, through the Internal Code of Conduct Monitoring Body, of any personal, family or economic situation or situation of any other type, that may constitute a conflict between the personal interests of the aforementioned person and those of a customer of the entity or the entity itself. This conflict situation will be considered to exist at least when the person subject to this Internal Code of Conduct in question or any other person or entity who has a family relationship or close relationship, under section 5 of this Internal Code of Conduct is in any of the following situations:

    - A Board member or member of Senior Management of a company with a scope of activity that coincides with that of the Entity.
    - Significant shareholding in companies with a scope of activity that coincides with that of the Entity.
    - Significant shareholding or other type of personal interest with regard to a customer of the Entity.

2. When the person in question becomes aware or should have become aware of the aforementioned circumstance, it must notify the Entity, without delay.

3. For the purposes of this article, a broader concept than the concept of conflict of interest contained in paragraph 1 of the preceding article will apply.

CHAPTER V.- PREPARATION OF INVESTMENT AND FINANCIAL ANALYSIS REPORTS

Article 15.- Specific rules

1. When the Entity prepares or commissions the preparation of investment reports it intends to disseminate, or that may be disseminated thereafter, among its customers or the general public, under its own responsibility or that of the companies of its group, the Entity itself and the persons involved in this activity, must comply with obligations in addition to those of a general nature contained in this Internal Code of Conduct. In particular:

    a. Financial analysts may not undertake personal transactions or trade on behalf of any person, including the Entity, unless they do so as market creators acting in good faith and in the ordinary course of this activity or to execute an order not requested by a customer without the prior proposal of the Entity, in relation to the financial instruments to which the investment report refers or any related financial instrument, if they are aware of the dates of publication or the likely content of the report and those dates have not been made public and have not been disclosed to customers nor can they be inferred easily from the information available, until the recipients of the report have had a reasonable opportunity to act on it.

    b. In circumstances not covered by the preceding letter, both financial analysts and other competent persons in charge of preparing reports on investments may not undertake personal transactions with the financial instruments to which the aforementioned reports refer or with related financial instruments in a manner contrary to the recommendations in force, except under exceptional circumstances and with the prior written approval of the Internal Code of Conduct Monitoring Body or the regulatory compliance function.

    c. The Entity, the financial analysts and other competent persons involved in the preparation of reports on investments may not accept incentives from anyone who has a relevant interest in the object of the report in question, nor may they reach an agreement with the issuers to prepare favourable reports.

    d. When the draft investment report contains a recommendation or a target price, the issuers, the competent persons — with the exception of the financial analysts — and any other person may not review the draft before the report is publicly disseminated, to verify the accuracy of objective declarations contained in it or for any other purpose, except to verify that the Entity complies with its legal obligations.

    For these purposes, related financial instruments will be understood as those instruments the price of which is directly affected by the variations of the price of the financial instrument object of a report on investments, which is understood to include the derivative financial instruments on it.

2. That set forth in the preceding paragraphs will not apply when the Entity disseminates an investment report if the following requirements are met:

    a. The person who prepares the report is not a member of the group to which the Entity belongs.

    b. The Entity does not significantly modify the recommendations that appear in the report.

    c. The Entity does not present the report as prepared by it.

    d. The Entity verifies that the person who prepares the report is subject to requirements equivalent to those set forth in relation to the preparation of investment reports or has adopted a policy that includes such requirements.

3. In addition, all entities and groups of entities that prepare, publish or disseminate reports or recommendations on c issuers of listed securities or financial instruments must behave in a

trustworthy and impartial manner, indicating in a prominent position in their reports, publications or recommendations the relevant relationships, including the business relationships and the stable participation that the entity or group maintains or is going to maintain with the Company object of the analysis and that the document does not constitute an offer of sale or subscription of securities.

4. The preparation and distribution of analysis reports by the Entity will comply at all times with relation thereto by Spanish Royal Decree 1333/2005, of 11 November.

CHAPTER VI.- ACTIVITY OF THE ENTITY AS A DEPOSITARY OF COLLECTIVE INVESTMENT UNDERTAKINGS (CIU) AND AS AN ENTITY IN CHARGE OF MANAGING THE ASSETS OF CIU

Article 16.- Rules of separation between the Depositary and the CIU Management Company

The Entity will implement the necessary measures that guarantee that the information arising from its activities as a depositary of CIU, is not within the reach, directly or indirectly, of the staff of the corresponding CIU Management Company; to that end, it will adopt the following measures:

a) It will maintain a physical separation between the human and material resources, within the Group dedicated to the management and depositary activity.

b) Software will be implemented that prevents the flow of information that could give rise to conflicts of interest between those responsible for each of the activities.

c) Persons who are board members or directors of the Entity, as depositary, may not be board members or directors of the CIU Management Company.

d) The effective management of the Entity, as depositary, will be performed by persons independent of the CIU Management Company.

e) The Entity, as depositary, and the CIU Management Company must have, in any event, different registered offices and physical separation between their businesses.

Article 17.- Related-party transactions

When the Entity provides the management service for an Open-Ended Investment Company (OEIC) or has a CIU Management Company in its Group, it must comply with the following rules when undertaking related-party transactions between the Entity and the aforementioned OEIC and its Depositary.

A) Definition of a Related-Party Transaction

In relation to the transactions carried out by an investment firm, its depositary and the Entity, "Related-Party Transactions" are considered those undertaken by the persons listed below in relation to the transactions referred to in the following paragraph:

- By the investment firms with depositaries and, where applicable, the Entity;
- By the Investment Firms with whomever holds administrative and management positions in them or whomever holds administrative and management positions in their depositary and, where applicable, in the Entity;
- By the Entity and the depositaries of the Investment Firms themselves, when they affect an Investment Firm with regard to which it acts as a manager and the depositary, respectively, and those undertaken between the Entity and whomever holds administrative and management positions therein.
- By the Entity, when they affect an Investment Firm with regard to which it acts as manager; and
- By the Entity when they affect an Investment Firm with regard to which it acts as depositary and by the investment firms, with any other entity that belongs to their same group as defined in section 4 of the Spanish Securities Market Act.

B) The following transactions will be considered Related-Party Transactions:

- The collection of payments for the provision of services to an Investment Firm, except those provided as a management company, to the institution itself and those envisaged in section 7 of Spanish Royal Decree 1309/2005, of 4 November

- The acquisition by an Investment Firm of financing or the establishment of deposits.

- The acquisition by an Investment Firm of securities or instruments issued or secured by any of the persons defined in section 67.1 of Spanish Law 35/2003, of 4 November, or in the issue of which one of the aforementioned persons acts as underwriter, insurer, manager or advisor.

- The purchase and sale of securities

- Any transfer or exchange of resources, obligations or business opportunities between investment firms, the Entity and the depositaries, on the one hand and whomever holds administrative or management positions therein, on the other.

C) Related-Party Transaction Control Body

In accordance with Spanish Royal Decree 1309/2005, Implementing the Spanish Collective Investment Undertakings Act (*Ley Reguladora de las Instituciones de Inversión Colectiva*), the Entity has a Related-Party Transaction Control Body the purpose of which is to define, authorise and control the related-party transactions of the Entity.

The Control Body is comprised of three members with positions of responsibility in three areas of the Entity:

1. Head of the Control Unit
2. Head of Accounting Control of the CIU
3. Head of Risk Control

The functions to be carried out and the specific actions of the Related-Party Transaction Control Body are described in this Procedure.

D) Generic authorisation

The Related-Party Transaction Control Body may permit and "generically authorise", at the proposal of the Board of Directors of the Entity related-party transactions that meet certain conditions.

The conditions that the related-party transactions must meet so that they can avail themselves of the "Generic Authorisation", is that they be transactions of *scant relevance* or of a *repetitive nature*.

In general, these transactions that, since they are repetitive and of scant relevance, the Related-Party Transaction Control Body permits, as subject to the "Generic Authorisation", will be considered as such provided that they are undertaken in the exclusive interest of the Investment Firm and at prices or under conditions that are equal to or better than the rates agreed upon by contract and market prices.

E) Authorisation of related-party transactions

Any other transaction that may be considered a related-party transaction and that is not subject to the "Generic Authorisation", must be authorised beforehand by the Related-Party Transaction Control Body.

For the Related-Party Transaction Control Body to be able to authorise a related-party transaction, the following steps must be taken:

- The Manager of the Investment Firm, within the Entity, must send a written request to the Related-Party Transaction Control Body for authorisation to undertake the related-party transaction.

- The written request must include all the identifying data of the transaction and, particularly, the entities involved, the type of transaction and the conditions thereof.

- If the Related-Party Transaction Control Body believes that it needs information in addition to that provided, it may request any data it needs.

- Authorisation. For the Related-Party Transaction Control Body to be able to authorise a related-party transaction, the following will be necessary:

    - The transaction is undertaken in the exclusive interest of the Investment Firm

    - The prices or conditions are equal to or better than those of the market

- Both the authorisation and the denial must appear in writing and will be saved together with the documentation presented for it to be obtained.

The transactions that, although they are considered related-party transactions, have been authorised expressly by the Annual General Meeting of the OEIC managed will not require prior authorisation.

F) Control of related-party transactions

The Related-Party Transaction Control Body will review the related-party transactions at least once per quarter doing as follows:

- Identifying the related-party transactions undertaken

- Classifying them in accordance with the control categories established in this procedure.

- Verifying the following for each category:

  Transactions authorised by the Related-Party Transaction Control Body:

    - If they meet the criteria for authorisation

    - If they have been appropriately authorised

  Transactions authorised by "Generic Authorisation":

    - If they form part of the authorisation

    - If they meet the criteria established in the "Generic Authorisation".

  The transactions authorised by the Annual General Meeting of the OEIC:

    - Analysing the documents and conditions for authorisation of the related-party transactions.

    - Verifying that the transactions were carried out under the terms authorised.

Once the related-party transactions have been reviewed, the Related-Party Transaction Control Body Shall issue a report on the results thereof.

G) Information on related-party transactions

The Related-Party Transaction Control Body will inform the Board of Directors of the Entity on a quarterly basis regarding the related-party transactions it has authorised or denied. The aforementioned information will be provided in writing.

The informational brochures of the Investment Firms managed will indicate that the aforementioned procedure exists to avoid conflicts of interest and that related-party transactions can be consulted in the quarterly reports.

In addition to indicating the existence of this procedure, the quarterly reports of the Investment Firms will mention the expressly authorised related-party transactions undertaken in the aforementioned period.

H) Related-party transactions file

The Related-Party Transaction Control Body will keep a record of:

1. The prior authorisations granted, as well as the documentation presented to obtain such authorisation.

2. The documentation and reports prepared in relation to the related-party transactions that do not require prior authorisation but do require subsequent control.

3. A copy of the quarterly reports sent to the Board of Directors.

CHAPTER VII.- INTERNAL CODE OF CONDUCT MONITORING BODY AND REGULATORY COMPLIANCE FUNCTION

Article 18.- Concept and functions of the Internal Code of Conduct Monitoring Body

The Internal Code of Conduct Monitoring Body is the body, within the Entity, that is entrusted with the duties of monitoring compliance therewith. In particular, its functions are the following:

a) Those established expressly in the corresponding section of this Internal Code of Conduct.

b) Maintain the Internal Code of Conduct up-to-date in accordance with current regulations

c) Establish periodic training programmes to ensure that all persons subject to this Internal Code of Conduct are familiar with it and understand it.

d) Interpret its specific applications, supervise compliance therewith and propose the appropriate corrective measures, where applicable.

e) Propose the procedures necessary to improve compliance with the standards and rules of conduct.

f) Keep the list of persons subject to the Internal Code of Conduct and the securities affected up-to-date.

g) Monitor and maintain the list of persons subject to the Internal Code of Conduct.

h) Propose the make-up and possible modification of the separate areas.

i) Evaluate the suitability of the measures aimed at establishing information barriers.

j) Prepare and disseminate among the persons subject to the Internal Code of Conduct the lists of events that could constitute insider information, as well as those related to evidence of suspicious transactions.

k) Keep a record of the communications required in the Internal Code of Conduct.

l) Any other function that may be relevant for fulfilment of its purposes.

The Internal Code of Conduct Monitoring Body is subject to the duty of confidentiality and will inform the persons subject to it of the conditions set forth in the Data Protection legislation.

Article 19.- Concept and functions of the regulatory compliance function

1. The purpose of the Regulatory Compliance function is to establish, apply and maintain appropriate measures and procedures to detect any risk of non-compliance by the Entity with the obligations imposed by the rules applicable, as well as the associated risks and to minimise the aforementioned risks and enable the CNMV to effectively exercise its powers.

   The Entity has a regulatory compliance function that is organised and equipped in accordance with the size, nature, scale and complexity of the services it provides.

   Likewise, it has appointed a head of Regulatory Compliance, whose identity will be communicated to all employees and competent persons by the Entity.

2. The Regulatory Compliance function has at least the following as specific functions:

   - Performance of the functions of the Internal Code of Conduct Monitoring Body when established by the Entity.
   - Detection and identification of the risks that the Investment Firm may fail to comply with the respective regulations.
   - Advise on the establishment of contingency and action plans in the event that the risk of non-compliance materialises.
   - Active monitoring of non-compliance risks: Establish and communicate the level of tolerance of non-compliance risk.
   - Ensure that the procedures are monitored and assessed.
   - Advise on internal and external regulatory compliance.
   - Advise on the proper management of conflicts of interest.
   - Upward and downward communication.
   - Constant interaction with all departments.

In any event, senior management will be responsible for equipping the regulatory compliance function with the human and material resources necessary so that it may carry out its functions. Likewise, as established by legislation, senior management will be responsible for ensuring compliance with current regulations.

CHAPTER VIII.- OTHER RULES

Article 20.- Resolution of doubts

Any doubt that arises for any Entity employee or any competent person in relation to the application of this Internal Code of Conduct will be directed to the Internal Code of Conduct Monitoring Body.

Article 21.- Amendments to the Internal Code of Conduct

The Entity will keep this Internal Code of Conduct permanently up-to-date. In this regard, any amendment hereto will be communicated to Entity employees and competent persons by the customary means of communication between the Entity and them.

Article 22.- Entry into Force

This Internal Code of Conduct will enter into force on……. and will replace in full any preceding Internal Code of Conduct.

With regard to those persons who either become Entity employees or competent persons, this Internal Code of Conduct will apply in full from the moment they meet any of the aforementioned conditions.

Article 23.- Signature of the Internal Code of Conduct

The Entity will send the Internal Code of Conduct to the persons subject to it who must provide acknowledgement of receipt and personally assume that they are aware of, understand and accept the Internal Code of Conduct, as well as all the commitments it entails.

Any amendment to the terms of this Internal Code of Conduct will apply to the persons subject to it as soon they are notified of such an amendment. The Entity will notify the persons subject to the Internal Code of Conduct of such amendments by the customary means of communication and in such a way that there is a record of its receipt.

Failure to comply with this Internal Code of Conduct will, in addition to other considerations, be classified as serious or very serious professional misconduct to be determined in the procedure that, where applicable, is followed in accordance with the provisions in force.

The foregoing will be understood without prejudice to the sanction that may arise for the offender from the regime of offences and sanctions set forth in the Spanish Securities Market Act and its implementing regulations, as well as the third-party or criminal liability that, in each case, is enforceable against the offender.

APPENDIX.- REFERENCE REGULATIONS

- **Spanish Law 24/1988, of 28 July, on the Securities Market**

- **Spanish Royal Decree 217/2008, of 15 February, on the legal regime for investment firms and other entities that provide investment services and partially amending the Regulations of Spanish Law 35/2003, of 4 November, on Collective Investment Undertakings, approved by Spanish Royal Decree 1309/2005, of 4 November.**

- **Spanish Royal Decree 1333/2005, of 11 November, implementing Spanish Law 24/1988, of 28 July, on the Securities Market, in relation to market abuse.**

- **Spanish Royal Decree 1309/2005, of 4 November, approving the Regulations of Spanish Law 35/2003, of 4 November, on collective investment undertakings and adapting the tax regime of collective investment undertakings.**