

Policy for the Prevention and Management of Conflicts of Interest

Amundi Canada Inc.

Securities regulations in Canada, particularly *Regulation 31-103 Respecting Registration Requirements and Exemptions*, require a firm registered as a securities dealer or adviser to put organizational measures in place in order to avoid, identify and respond to conflicts of interest.

The purpose of this policy is to describe the measures implemented by Amundi Canada Inc. (hereafter “Amundi Canada”) to prevent and manage conflicts of interest in accordance with applicable securities regulations.

Definition

For purposes of this policy, a conflict of interest is understood to mean any professional situation in which a person’s, company’s or organization’s judgment or decision-making capacity could be influenced or altered in its independence or integrity, either by personal considerations or as a result of pressure exerted by a third party. For greater certainty, and without limiting the generality of the foregoing, a conflict of interest is any situation in which the interests of different parties, such as those of a client and those of Amundi Canada, are inconsistent or divergent.

General approach to managing conflicts of interest

Amundi Canada shall take reasonable steps to identify all existing material conflicts of interest and those that it would reasonably expect to arise, and then assess the level of risk associated with each conflict. Amundi Canada avoids any situation that would entail a serious conflict of interest or represent too high a risk for clients or market integrity. In any other situation entailing a conflict of interest, Amundi Canada shall ensure that appropriate measures are implemented to control the conflict effectively.

Measures to prevent and identify conflicts of interest

Amundi Canada has taken steps in accordance with existing regulations to prevent conflicts of interest and identify real or perceived conflicts.

Employees’ rules of conduct

The administrative measures taken by Amundi Canada include ensuring that employees are aware of their ethical obligations and Amundi Canada’s internal procedures and policies aimed at preventing and managing conflicts of interest. Upon joining the company and each year subsequently, all employees of Amundi Canada shall review Amundi Canada’s Compliance Manual and the applicable rules of professional conduct, comply with their consequent obligations (as amended from time to time), and declare any situation that may place them in a conflict of interest.

Internal notification of conflicts of interest

Amundi Canada has implemented an effective internal notification system that enables employees to immediately report any real or potential conflict of interest in which they become involved. In addition, the Chief Compliance Officer must approve any transaction for which such a notification has been made. The transaction is then noted in the relevant employee's record of personal transactions, which is audited every quarter.

Other measures

As described in more detail below, Amundi Canada has introduced special rules aimed at preventing and identifying specific types of conflicts of interest, including those that involve transactions and agreements with external service providers, compensation practices (Amundi) and company representatives who have outside business activities.

Measures to handle conflicts of interest

Should a conflict of interest occur, Amundi Canada shall endeavour to resolve the situation as quickly as possible.

Measures to control conflicts of interest

Amundi Canada has implemented various procedures to effectively control conflicts of interest, depending on the nature of the conflict in question. To prevent the undue distribution of confidential, sensitive or privileged information and preclude the occurrence of insider trading or market manipulation, Amundi Canada follows a series of security measures that include the physical and organizational separation of departments. Introduced by Amundi, the parent company of Amundi Canada, these measures are collectively referred to as a "Chinese Wall."

Additional measures have been undertaken by Amundi, to which Amundi Canada has delegated the management of its mandates. In order to avoid the risk of confusion between proprietary trading and transactions on behalf of third parties, Amundi's proprietary trading is handled by persons separate from those responsible for transactions on behalf of third parties. As well, to ensure they are processed within a framework of strict compliance, orders sent to market are pre-allocated and time/date-stamped, and Amundi does not accept subscription or redemption orders sent by clients after the cut-off time for centralization. Lastly, Amundi selects market intermediaries in accordance with the best interests of the client, based primarily on an analysis of the quality/price relationship.

Declaring conflicts of interest

When a conflict of interest has been confirmed, an arbitration process is organized at various levels (depending on the individuals involved or the complexity of the conflict) so as to quickly determine an appropriate solution and avoid undermining the interest of the client concerned.

If the risk of adversely affecting the client's interest cannot be avoided, despite the procedures and measures in place aimed at controlling conflicts of interest, Amundi Canada shall clearly inform the client of the nature of the conflict prior to acting on the client's behalf. Under such circumstances, the information disclosed shall be sufficiently precise and detailed to enable the client to make an informed decision regarding the investment product or service in question.

If the general measures and the disclosure approach are insufficient to adequately address a specific conflict situation, then Amundi Canada shall consider refraining from acting on behalf of the client.

Relations with related or connected issuers

To the extent permissible by law, Amundi Canada may act as a dealer or adviser with respect to the securities of its related issuers and as a distributor of the securities of its connected issuers. Amundi Canada shall provide a list of its connected issuers to any client opening a new account and shall post the list, updated regularly, on the Amundi Canada website, in order to ensure as much transparency as possible.

Furthermore, each time that Amundi Canada acts as principal, solicits a client in order to make a transaction or makes a recommendation, it shall provide to the client, free of charge, a copy of its Statement of Policies that includes a list of related issuers, in accordance with the law. This is to ensure that the informed consent of the client is obtained before trading in the securities of related issuers, should the need arise.

In the event of a material change in the information contained in the Statement of Policies, a revised version or an amendment to the statement shall be posted on the Amundi Canada website.

Policy regarding individuals who have outside business activities

Representatives and executives must declare all company directorships held outside the firm and all external activities that could lead to a conflict of interest. This declaration should highlight any potential conflicts that could arise over compensation received for these activities or the nature of the relationship between the individual concerned and the outside entity.

Employees shall make such a declaration on joining the company, at regular intervals afterward and in cases where there has been a change in the facts initially declared. The Chief Compliance Officer must be advised in writing of any changes as soon as they occur.

Declarations shall be kept in a register.

Compensation practices

Given the fact that Amundi Canada's Human Resources (HR) department is managed by Amundi, the latter's practices shall be applicable with regard to compensation. Amundi's Compliance Committee shall check with the HR department to ensure that employees are not compensated in a manner that could lead directly or indirectly to potential conflicts of interest.

External service providers

Amundi Canada's Chief Compliance Officer shall ensure that the firm's external service providers apply rules regarding conflicts of interest that are equivalent to those put in place by Amundi Canada. In particular, the Chief Compliance Officer shall ensure that these external service providers have the procedures necessary to detect, prevent and manage conflicts of interest.

Gifts and commissions

All employees of Amundi Canada must refrain from soliciting or accepting gifts, compensation, commissions or benefits, whether from clients, suppliers or third parties, which could, even inadvertently, compromise their impartiality or integrity.

Review of the policy

Amundi Canada's Chief Compliance Officer shall update this policy regularly in order to take into account new legislative and regulatory provisions, updated professional standards and any conclusions to be drawn from conflicts of interest encountered by Amundi Canada.

Adoption and effective date of the policy

The policy shall take effect on February 7, 2011, after ratification by Amundi Canada's Chief Compliance Officer and the Amundi Compliance Committee.

Maintenance and dissemination of the policy

Amundi Canada's Chief Compliance Officer shall maintain, update and disseminate the policy.