

POLICY FOR THE PREVENTION AND MANAGEMENT OF CONFLICTS OF INTERESTS AT AMUNDI

Amundi may face situations in which a client's interests are in conflict with those of another client or of Amundi, and even situations in which the interests of clients of Amundi are in conflict with those of one of its employees.

In order to ensure the protection and primacy of clients' interests and to comply with the applicable regulations, Amundi has implemented a policy and procedures aimed at preventing situations involving a conflict of interests and resolving such situations if they should arise.

The purpose of this document is to present Amundi's approach to the identification, prevention and management of conflicts of interests that may arise in the conduct of its activities. More detailed information is available upon request.

WHAT IS A CONFLICT OF INTERESTS?

In general, a conflict is likely to exist when a given situation could undermine a client's interests. There are three categories of potential conflicts:

- a) **conflicts involving several clients**, e.g. when Amundi, offering its services to two clients, could favour one of the two by giving priority to this client's transactions;
- b) **conflicts involving Amundi and its clients**, e.g. when Amundi proposes a service on which it would earn a higher return without taking into account the client's needs;
- c) **conflicts involving Amundi employees**, e.g. when employees perform transactions for their own account using confidential information concerning clients or portfolios.

WHAT MEASURES DOES AMUNDI TAKE TO IDENTIFY POTENTIAL CONFLICTS OF INTERESTS?

As a preventive measure, Amundi applies specific procedures, notably a periodic review of certain activities and transactions.

For this purpose, and in accordance with the prevailing regulations, Amundi has drawn up a matrix of the various situations involving a possible conflict of interests within its activities and which could undermine clients' interests as one of the participants involved:

- is likely to make a financial gain or avoid a financial loss at the client's expense;
- has an interest in the outcome of a service provided to the client or a transaction performed for the client's account that differs from the client's interest in the outcome;
- has an incentive, financial or otherwise, to give priority to the interests of another client (or group of clients) over the interests of the client to whom the service is provided;
- exercises the same professional activity as that of the client;

- receives or will receive from a person other than the client a benefit connected with the service provided to the client, in any form whatsoever, other than commissions or fees normally billed for this service.

This risk matrix is updated periodically, at least once a year, to incorporate changes and additions to Amundi's activities. It enables Amundi to ensure that organisational and procedural measures are implemented to prevent and manage potential conflicts of interests and that the related controls are performed and provide satisfactory results.

Amundi also applies procedures that enable its employees to signal any potential or actual situation involving a conflict of interests.

Amongst other things, Amundi's policy provides for the recording of telephone calls involving departments or activities that are considered to be sensitive to conflicts of interests, e.g. transmission of orders to the market, taking of subscription or redemption orders.

WHAT MEASURES ARE TAKEN TO PREVENT AND MANAGE CONFLICTS?

Amundi implements and applies organisational and administrative measures aimed specifically at preventing conflicts of interests and managing any actual cases of conflict. It also permanently monitors the activities exercised in order to ensure that the internal control procedures in this matter are appropriate.

Given that they operate as a business line at Group level, the control functions (Compliance, Risk) enjoy total independence.

Measures are also taken to ensure "physical" independence (secure access to premises) and security of confidential information held, by means of authorisation procedures restricting access to only those persons who need it to carry out their professional activity.

The measures and controls adopted by Amundi with regard to the prevention and management of conflicts of interests notably include the following provisions:

- an **internal policy for managing conflicts of interests** comprising instructions that employees must comply with in order to identify, prevent and manage conflicts of interests;

The internal regulations and their compliance-related appendices, supplemented by the numerous specific application procedures, thus control the risk that Amundi staff derive benefit from information held at the clients' expense or act in accordance with interests that could be contrary to those of the clients (procedures for managing employees' personal transactions, declaration of gifts and benefits received, and declaration of external activities or corporate positions held so that their compatibility with the activity exercised within Amundi can be examined).

- **strict procedures and rules governing the processing of orders and the primacy of the client's interests**

Amundi complies strictly with the operating rules of the financial markets and does not allow any infringement of equality in the processing of orders.

In particular, orders submitted to the market are pre-allocated and date- and time-stamped, and Amundi does not accept subscription or redemption orders transmitted by clients beyond the order centralisation deadline.

- ***strict procedures and rules governing the selection and remuneration of intermediaries***

Market intermediaries are selected in accordance with the principle of primacy of the client's interests. Amundi ensures that it selects its intermediaries based primarily on an analysis of the quality/price relationship and not based on their possible membership of the Crédit Agricole group. Lists of such intermediaries are analysed and reviewed quarterly by ad-hoc committees attended by traders, fund managers and analysts as well as representatives from compliance, risk and middle office.

- ***suitable training of the employees concerned***, in order to ensure satisfactory knowledge of their responsibilities and obligations.

WHAT MEASURES ARE TAKEN TO MANAGE SITUATIONS INVOLVING ACTUAL CONFLICTS OF INTERESTS?

In certain complex or specific cases, it is possible that Amundi considers that the organisational and administrative measures taken are insufficient to guarantee, with reasonable certainty, that the risk of undermining the clients' interests will be avoided. In this event, Amundi must clearly inform the clients, before acting in their name, of the general nature and source of these conflicts of interests. Duly informed, the client will take an informed decision on the investment service provided.

The Risk and Compliance Committee, whose permanent members are senior management, the Risk Director and the Compliance Director of Amundi, is authorised to manage these exceptional situations and to take any necessary decisions to inform the client.

Any case in which a Amundi department or activity for which a conflict of interests involving an **appreciable risk** undermining the interests of one or more clients has occurred or is likely to occur will be recorded in the Amundi register that covers all such situations.