

CONFLICTS OF INTEREST GENERAL POLICY

Distributed to Inversis Group

The integrity and judgement of Inversis Group professionals, is a key aspect in implementing the procedures described herein. Therefore, the Inversis Group staff, affected by it should understand the spirit and purpose of these procedures, so that the bases presented may apply to supervening situations that have not been provided for in the document. In case of doubt in the interpretation of the procedures defined herein, it shall be consult with the Head of the Department of Organization and Regulatory Compliance.

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1. OBJECTIVE

The object of the General Policy on Conflicts of Interest of Inversis Group (hereinafter, "Inversis"), lies in identifying those circumstances potentially generating conflict of interest (between Inversis and a client or between different Inversis clients) and the specification of procedures to be followed and measures to be taken for the prevention and management thereof.

The obligation on the management of conflicts of interest established in the regulations in force is not absolute, as it does not prohibit its existence, but requires taking reasonable measures to resolve them.

In that casuistry which could not avoid conflict of interest, it designs a disclosure mode thereof for that client who receives the investment service.

2. REGULATORY FRAMEWORK

This Inversis Group Code is inspired by and complies with the following rules:

- Law 24/1988 of 28 July, of the Securities Market, in particular article 70 quarter.
- Royal Decree 217/2008 of 15 February, on the legal regime of investment services companies partially amending the Law Regulation 35/2003 of 4 November, on Collective Investment, approved by Royal Decree 1309/2005, of November 4, articles 44-47.

Regardless of the implementing legislation on this matter, Inversis has a Code of Conduct in the Securities Market that exhaustively regulates the guidelines to be followed by persons subjected hereto to the provision of investment services.

3. SCOPE

The scope of the General Policy on Conflicts of Interest shall be generally applicable to the entities that comprise the Inversis Group providing investment services, hereinafter "Entities Subjected Hereto" and particularly the "Persons Subjected Hereto" that participate, or might participate, in activities and/or transactions with financial instruments¹.

The companies that provide investment services that comprise the Inversis Group and that are affected by this Code are as follows:

- Banco Inversis, S.A.
- Inversis Gestión, S.A., S.G.I.I.C.
- Inversis Asesoramiento Financiero, S.A.

"Person Subjected Hereto" is understood as follows:

- Members of each of the Boards of Directors of Group Companies Inversis

¹ It is understood as all those financial instruments listed in Article 2 of the Securities Market Law.

- Senior Managers
- Employees
- Financial Agents acting on behalf of Inversis Group, including its directors, officers, employees and agents in the case of legal persons.

The General Policy on Conflicts of Interest shall be the required awareness and compliance by all Persons Subjected Hereto.

It excludes persons who are directors or employees, representatives or agents of subsidiaries that have, obligatorily their own code of conduct, unless they also occupy a position in Inversis involving the condition of Persons Subjected Hereto.

The Compliance Department shall compile and update a list of Persons Subjected Hereto, being able to determine, in the case of persons subject hereto to various codes that are of similar content obligations apply to them.

The failure of the Persons Subjected Hereto of the General Conflicts of Interest Policy, of the Code of Conduct, its developments or legal provisions in which they are based, can result in criminal, administrative or labor sanctions.

4. SCOPE OF APPLICATION

The scope of the General Policy on Conflicts of Interest shall cover all areas separated from any Inversis Group entity or any activities conducted within the investment services provision framework of or ancillary services to clients.

4.1. SEPARATE AREAS

Inversis, as a Group that operates and provides investment services in the securities markets is required to establish the necessary measures to prevent the flow of privileged information among the various areas of activity and pay special observance to the rules of conduct laid down in the Securities Market Law, so as to ensure that each of these areas are organized so that the risk of conflict of interest is minimized, taking their decisions autonomously regarding the field of securities markets and, also, that it behaves with due diligence and transparency in the interests of their clients and in defense of the integrity of the market.

Inversis separate areas will be those contained in the Code of Conduct in the Securities Market.

5. CONFLICTS OF INTEREST

5.1. DEFINITION OF CONFLICT OF INTEREST

It is understood as conflict of interest when the concurrency occurs in one person or scope of decision of, at least, two competing interests that could compromise the impartial provision of a service or investment activity related to the securities market. For a conflict of interest to take place it is not enough that the Inversis may obtain or generate a profit if there is also a disadvantage to a client. Nor does it consider the existence of a conflict of interest if a client can obtain profit or avoid a loss, if there is no possibility of loss related to a customer.

Where the organizational or administrative measures to manage conflict of interest are not sufficient to ensure, with reasonable certainty, that shall prevent risks of damage to client interests, the entity should first disclose to the client the nature and origin of the conflict before acting on its behalf.

5.2. IDENTIFICATION OF CONFLICTS

Inversis, in relation to investment made by themselves or for others shall identify the circumstances giving or may give rise to a conflict of interest involving a significant risk of damage to the interests of one or more customers.

Then the conflicts of interest can be generated in the development of activities lent by Inversis Group, related to the securities markets are identified:

- Among Inversis clients and any entity thereof: when the entity can obtain an extraordinary financial gain or avoid a financial loss at the expense of the client
- Among those Persons Subjected Hereto and Inversis clients: alleged use by persons subjected hereto of privileged or Confidential information or the inadequate execution of client orders giving priority, for example to personal orders.
- Among its own Inversis clients: regarding potential behaviors that consist of allowing in some cases a client to obtain preferential treatment over other clients preventing that the service be provided equitably.
- Among different areas of each of the Inversis entities: situations in which within Inversis itself, due to the different activity carried out by each area, can generate conflicts that make a specific area not act in an objective manner.

5.2.1. Identification of situations generated from conflicts of interest

Below it describes the situations that have been identified in Inversis as potentially generating conflicts of interest. This identification was made based on the analysis of the activities realised by the separate areas of Inversis:

- Transactions on own account
- Financial services companies, including securities underwriting or selling in an offering of securities.

This special attention is appropriate where Inversis or a person directly or indirectly linked to Inversis by a control relationship carries out a combination of two or more of these activities.

5.2.2. Identification of instruments and transactions generated from conflict of interest

They are identified as transactions potentially generators of situations of conflicts of interest in which handling sensitive information (privileged - relevant) occurs, requiring:

- Study and approval of transactions affected by sensitive information;
- Study and approval of credit transactions for purchasing securities;
- Transfer of sensitive information among separate areas;
- Transmission of sensitive information to people above the information barriers

it identifies the following financial instruments subjected to financial analysis activities:

- Common or preferred shares traded on a regulated market;
- Obligations of any kind and similar securities representing a private debt;
- Contracts or instruments of any kind, even if they have an underlying non financial asset, traded, or susceptible of being traded on a secondary market;
- Financial contracts (futures, option or swap) having a financial underlying asset (securities, indices, currencies, interest rates, etc.), whether traded or not on a secondary market.

6. ROLE AND RESPONSIBILITIES OF THE REGULATORY AREA OF COMPLIANCE

The Regulatory Compliance Department is responsible for the implementation, application and maintenance of the General Policy on Conflicts of Interest. It exercises a centralized function, assuming the decision on key issues concerning prevention measures (transfer of information barriers and flow of sensitive information) and management (application procedures and disclosure) conflicts of interest.

In this regard, the Entities and Persons Subjected Hereto of Inversis shall be who effectively implement those procedures and measures contained in this Policy.

Ultimately, it shall be the senior management that ensures the smooth operation of the procedures and measures designed for the prevention and management of conflicts of interest.

7. IMPLEMENTATION OF GENERAL POLICY CONFLICTS OF INTEREST

The Regulatory Area of Compliance is ultimately responsible for the correct application of the General Policy on Conflicts of Interest, regardless of the functions delegated to Entities and Persons Subjected Hereto.

7.1. PROCEDURES AND MEASURES FOR PREVENTION AND MANAGEMENT OF CONFLICTS OF INTEREST

Inversis has appropriate procedures related to the prevention of conflicts of interest and obligations of the Affected Persons. Such procedures shall be established in the Code of Conduct in the Securities Markets in force at all times.

7.2. COMMUNICATION AND REPORTING TO THE REGULATORY AREA OF COMPLIANCE.

Persons Subject Hereto promptly communicate situations generating conflicts of interest that have been detected. The communication channel between the Area of Regulatory Compliance and these shall be that which in each case is considered the most effective, in terms of form, speed and confidentiality.

7.3. ASSESSMENT OF CONTROLS

The Area of Regulatory Compliance established in collaboration with other Inversis control areas, mainly Internal Audits, work programs designed to test and validate the controls previously established whose aims ensure the effectiveness of existing procedures for managing conflicts of interest.

8. UPDATING THE GENERAL POLICY OF CONFLICTS OF INTEREST

The measures described herein for identification and management of conflicts of interest shall be reviewed periodically by the assessment results of the controls carried out by the control functions of Inversis.

In case that Inversis start new activities related to financial services, it will study, where appropriate, the impact thereof on this policy, and establish the necessary measures for proper identification and management of potential situations generating conflicts of interest that may arise thereof.

9. MANAGEMENT PROCEDURES AND MEASURES TO PREVENT THAT CONFLICTS OF INTEREST ADVERSELY AFFECT THE CLIENT

Procedures and measures to prevent designed conflicts of interest, shall be applied by the separate areas of Inversis when they apply; being submitted to the control of the Area of Regulatory Compliance.

Procedures and performance standards established by Inversis on this matter are duly set in the Code of Conduct of the Entity.

10. COMMUNICATIONS AND WARNINGS TO CUSTOMERS ON CONFLICTS OF INTEREST

The established record of potential conflicts of interest with their corresponding controls, should be sufficient to properly manage such conflicts. However, in those cases where it is not possible to manage the conflict, the affected person should inform the Area of Regulatory Compliance in order to assess good client communication as the cessation of the situation could lead to a conflict of interest described in this Policy.

General Conflicts of Interest Policy shall be available to Inversis customers through its website on the bulletin board in the Precontractual information section.

11. REGISTRATION OF CONFLICTS OF INTEREST

Banco Inversis will keep and regularly update a record of the types of investment service or auxiliary and/or investment activities in which there has been a conflict of interest that has posed a risk of undermining the interests of one or more clients or, in the case of a service or an ongoing activity, in which such conflict may arise.

This record is an auditable document and on which periodic reviews shall be carried out as part of the self-assessment exercise in the different areas of Inversis regarding the risks associated to different processes.

The responsibility to maintain updated this record shall be performed by the head of each of the affected areas in coordination with the Area of Regulatory Compliance.

Additionally, the Regulatory Compliance Supervisor will submit a report on situations that give rise to conflicts of interest in the Entity. This report will be submitted at least annually to the Inversis Group senior management.

The information contained in the Conflicts of Interest Record shall only be available to Inversis staff that the Compliance Officer deems appropriate as well as those Supervisory Agencies that request the same.