

This is an English translation of the original Italian document. The original version in Italian takes precedence



Global Policy

**GLOBAL POLICY FOR THE MANAGEMENT OF
TRANSACTIONS WITH PERSONS
IN POTENTIAL CONFLICT OF INTEREST OF THE FINECOBANK GROUP**

FB 020_2019

Approving function	Board of Directors	Date November 2019
Proposing function	Legal & Corporate Affairs	

Owner	Legal & Corporate Affairs		
Process Tree	Process Type: Governo e controllo - MG: Risk and Control Management - MP: Compliance Management Risk - EP: Management of transactions with persons in conflict of interest		
Contacts	Clarifications on the content of the document	Structure: Corporate Law & Board Secretary's Office e-mail: PresidioFinecoBank@fineco.it	
	Operational support	Structure: Corporate Law & Board Secretary's Office e-mail: PresidioFinecoBank@fineco.it	
Parent Company functions involved in the sharing process	<ul style="list-style-type: none"> - Legal & Corporate Affairs in its function of Corporate Law & Board Secretary's Office - CRO in its function of Risk Management and Credit - CFO in its function of Authorities Management and Reporting (<i>Amministrazione e Segnalazioni OdV</i>) and Management Control 		
Validation of the Parent Company for the matters within its remit	/		
Entities involved in the sharing process	/		
Addressed Entities (minimal perimeter)	Direct subsidiaries	Non direct subsidiaries	Other information
	Fineco Asset Management DAC (FAM)		

Replaced/revised internal laws and main amendments introduced

Replaced/revised internal law	Date replaced/revised internal law	Summary of the main amendments	Type of amendment

Circ. no. 191/2018 – Procedures for the management of transactions with persons in a conflict of interest	July 2018	Regulatory and procedural adjustments following the exit from UniCredit Group by FinecoBank and its new qualification of “Parent Company” of a banking group.	Replacement
UC-2019-038 – GP Transactions with related parties, associated persons and Corporate Officers ex art. 136 CBA	April 2019	Regulations issued by UniCredit S.p.A. and adopted by FinecoBank as company belonging to UniCredit Banking Group. Such regulations are no longer applicable to FinecoBank following the exit from UniCredit Group by FinecoBank itself and its new qualification of “Parent Company” of a banking group.	Replacement

Related Group internal law

Title	Rule number	Short explanation how the internal law is related
Global Policy on the Risk activities and conflicts of interest with associated persons – Internal policies on control	UC-2018-130	This Global Policy governs the adoption of internal policies on the control of Risk Activities and conflicts of interest in relation to Associated Persons. In particular, the Global Policy sets out provisions on organisational structures and internal controls system in order to be compliant with the prudential limits and the decision-making procedures established by Bank of Italy Provisions as well as with the correct prevention and management of potential conflict of interest inherent in any relationship with Associated Persons.

CONTENTS

SECTION I.....	10
REGULATORY FRAMEWORK, GOVERNANCE BODIES AND ORGANISATIONAL STRUCTURES.....	10
1. AIM AND SCOPE OF APPLICATION	11
2. REGULATORY CONTEXT	11
2.1 REGULATORY FRAMEWORK OF REFERENCE	11
2.2 ADOPTION OF FINECOBANK BANKING GROUP GLOBAL POLICY FOR THE MANAGEMENT OF TRANSACTIONS IN POTENTIAL CONFLICT OF INTEREST	12
3. GOVERNANCE BODIES AND ORGANISATIONAL STRUCTURES.....	14
3.1 GOVERNANCE BODIES.....	14
SECTION II	23
OPERATING PROCEDURES FOR MANAGING TRANSACTIONS WITH MEMBERS OF THE COMBINED PERIMETER	23
1. COMMON PROVISIONS FOR TRANSACTIONS WITH MEMBERS OF THE COMBINED PERIMETER IDENTIFYING, UPDATING AND MONITORING THE COMBINED PERIMETER.....	24
1.1 COMBINED PERIMETER	24
1.1.1 FINECOBANK PERIMETER.....	24
1.2 COLLECTION, MONITORING AND RECORDING OF INFORMATION REGARDING THE COMBINED PERIMETER.	26
1.4 CO-OWNERSHIPS.....	27
1. TRANSACTIONS WITH MEMBERS OF THE COMBINED PERIMETER.....	28
2.1 CRITERIA FOR IDENTIFICATION OF TRANSACTIONS	28
2.2 CASES OF EXCLUSION	28
2.2.1 'Ordinary' and 'Smaller' transactions	29
2.3 MACROCLASSES OF REFERENCE OF THE TYPES OF TRANSACTIONS IDENTIFIED.....	32
2.3.1 Continuing Banking Relationship and other Transactions for which the Value (A) has not been previously determined.....	33
2.3.2 Acquisition and Sale Transactions of equity investments/assets/business divisions(B)	33
2.3.3 Transactions to which only the Equivalent Value Ratio (C) applies	34
3. SIGNIFICANCE OF TRANSACTIONS	35
3.1 IDENTIFICATION OF TRANSACTIONS OF GREATER RELEVANCE	35
3.2 FRAMEWORK RESOLUTIONS	35
4. MANAGEMENT OF TRANSACTIONS CONCLUDED WITH THE MEMBERS OF THE COMBINED PERIMETER	36
4.1 MANAGEMENT OF CREDIT TRANSACTIONS	40
5. DECISION-MAKING PROCEDURES	41
5.1 PROCEDURES FOR THE APPROVAL OF TRANSACTIONS OF GREATER RELEVANCE CARRIED OUT BY FINECOBANK AND THE SUBSIDIARIES	41
5.2 PROCEDURES FOR THE APPROVAL OF NON-ORDINARY TRANSACTIONS OF LESSER RELEVANCE CARRIED OUT BY FINECOBANK AND THE SUBSIDIARIES.....	41
5.3 TRANSACTIONS THAT FALL WITHIN THE AREA OF APPLICATION OF ARTICLE 136 OF THE CONSOLIDATED LAW ON BANKING.....	42
5.4 MANAGEMENT AND MONITORING OF THE AGGREGATION FOR THE PURPOSE OF THE CONSOB INFORMATION DOCUMENT.....	42
5.5 CONTROLS ON THE PROCESS OF MANAGING TRANSACTIONS WITH THE MEMBERS OF THE COMBINED PERIMETER	43
6. INTERNAL INFORMATION FLOWS ON TRANSACTIONS WITH MEMBERS OF THE COMBINED PERIMETER	44
6.1 FINECOBANK OVERSIGHT UNIT.....	44
6.2 BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS OF FINECOBANK.....	44
6.3 RISKS AND RELATED PARTIES COMMITTEE.....	45
6.4 COMPLIANCE FUNCTION	45
6.5 INFORMATION FLOWS TO AND FROM THE CHIEF FINANCIAL OFFICER.....	45
PROVISIONS ON DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES CONSOB AND WITH ASSOCIATED PERSONS BANK OF ITALY.....	46
7. INFORMATION OBLIGATIONS ON TRANSACTIONS WITH RELATED PARTIES PURSUANT TO THE CONSOB REGULATION.....	46
7.1 IDENTIFICATION OF TRANSACTIONS OF GREATER RELEVANCE	46

7.2 REPORT ON TRANSACTIONS OF LESSER RELEVANCE	47
7.3 REPORT ON ORDINARY TRANSACTIONS OF GREATER RELEVANCE CONCLUDED AT MARKET OR STANDARD CONDITIONS.....	47
7.4 REPORT ON ORDINARY TRANSACTIONS OF LESSER RELEVANCE CONCLUDED AT MARKET OR STANDARD CONDITIONS.....	47
8. EXTERNAL REPORTING AND SUPERVISORY REPORTING ON ASSOCIATED PERSONS	49
9. FINANCIAL REPORTING	50
10. LIMITS ON RISK ACTIVITIES AND SUPERVISORY REPORTING TO ASSOCIATED PERSONS PURSUANT TO BANK OF ITALY PROVISIONS.....	51
10.1 LIMITS TO RISK ACTIVITIES WITH ASSOCIATED PERSONS BANK OF ITALY.....	51
10.2 SUPERVISORY REPORTING ON RISK ACTIVITIES WITH ASSOCIATED PERSONS.....	52
11. INTERNAL POLICIES ON THE CONTROL OF RISK ACTIVITIES AND CONFLICTS OF INTEREST WITH REGARD TO ASSOCIATED PERSONS.....	53
SECTION III.....	54
OBLIGATIONS OF BANK OFFICERS PURSUANT TO ARTICLE 136 OF THE CONSOLIDATED LAW ON BANKING.....	54
FOREWORD.....	55
1. BANK OFFICERS' PERIMETER EX ART. 136 TUB	55
2. COLLECTION AND MONITORING OF THE COMMUNICATIONS OF BANK OFFICERS	56
3. ACTS AND RELATED EVENTS GIVING RISE TO THE APPLICATION OF ARTICLE 136 OF THE CONSOLIDATED LAW ON BANKING.....	56
4. ACTS NOT ATTRIBUTABLE TO THE STATUTORY PROVISIONS	56
5. OBLIGATIONS CONTRACTED INDIRECTLY THROUGH THE INTERPOSITION OF NATURAL OR LEGAL PERSONS.....	57
6. DECISION-MAKING PROCEDURE FOR FINALISING THE OBLIGATION.....	57
7. PROCEDURE FOR THE FINALISATION OF THE OBLIGATION IF THE BANK OFFICER IS ALSO A RELATED PARTY AND/OR AN ASSOCIATED PERSON.....	58
ANNEX 'A'	59
ADDENDUM 'A1'	64

DEFINITIONS	
In the context of this Global Policy, unless otherwise specified, the following definitions are commonly understood to apply both for the Bank of Italy Provisions and the CONSOB Regulation.	
Independent Directors:	the non-executive Directors of FinecoBank or of a company within the FinecoBank Group who meet with regard to (i) FinecoBank, the independence requirements pursuant to Article 13 of Articles of Association of the Bank and (ii) the other companies within FinecoBank Group, the independence requirements applicable to them in accordance with the law applicable to the company itself and the relevant articles of association.
Risk Activities:	net exposures as defined for the purposes of the procedures for risk concentration (See Title V, Chapter 1, Section I, Paragraph 3 of the Bank of Italy Circular, as well as the ' <i>Instructions for the compilation of reports on regulatory capital and prudential coefficients</i> ' (Circular no. 155 of 18 December 1991, Section 5).
Bank/Parent Company/FinecoBank/Company:	FinecoBank S.p.A., Parent Company of the Banking Group FinecoBank registered in the banking Groups register no. 3015, registered office in Milan, Piazza Durante, 11, General Management in Reggio Emilia, Via Rivoluzione d'ottobre, 16, VAT code 12962340159, Tax Code and registration number in the Milan Companies' Register 01392970404, number R.E.A. 1598155, member of the " <i>Fondo Nazionale di Garanzia</i> " and " <i>Fondo Interbancario di Tutela dei depositi</i> ".
Bank of Italy Circular:	Bank of Italy Circular no. 263 of 27 December 2006 (bearing the ' <i>New prudential supervisions provisions for banks</i> ') and subsequent amendments.
Italian Civil Code/c.c.:	the Civil Code approved by Royal Decree no. 262 of 16 March 1942 and subsequent amendments.
Code of Conduct:	the Code of Conduct for listed companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria.
Board of Statutory Auditors:	the Board of Statutory Auditors of FinecoBank.
Risks and Related Parties Committee or also the Committee:	an Internal Committee of the Board of Directors established in compliance with articles 4 and 7 of the Code of Conduct.
Board of Directors:	the Board of Directors of FinecoBank.
Consob:	the <i>Commissione Nazionale per le Società e la Borsa</i> (National Commission for Companies and the Stock Exchange), Via G.B. Martini, 3, Rome.
Subsidiaries:	Italian and foreign companies controlled directly and/or indirectly by FinecoBank, pursuant to Article 2359 of the Italian Civil Code, Article 93 of the Consolidated Law on Finance and Article 23 of the Consolidated Law on Banking, whether or not they belong to the Banking Group.
Bank of Italy Provisions:	the procedures for ' <i>Risk activities and conflicts of interest with associated persons</i> ' set out in Title V, Chapter 5 of the Bank of Italy Circular.
Entity:	Italian and foreign banks and financial and capital companies controlled by FinecoBank, directly and indirectly, belonging to the Banking Group.
Bank Officers:	the recipients of the prohibition contained in Article 136 of the Italian Consolidated Law on Banking (<i>i.e.</i> , people performing administrative, management and control functions). At FinecoBank, they are the directors (including the Managing Director and General Manager) and statutory auditors.
Own Funds:	the sum of the following elements: (i) Common Equity Tier 1 (CET1); (ii) Additional Tier 1 capital (AT1); (iii) Tier 2 capital (TIER 2 - T2).
Technical and Control Functions:	the internal functions of FinecoBank identified in Section I, Paragraph 3.2.2 (b).
Global Policy:	the current Global Policy for the management of transactions with persons in potential conflict of interest of the FinecoBank Group, issued by FinecoBank and addressed also to its subsidiaries that are required to implement its content following the guidelines defined by the Parent Company in its policy and coordination activities in the interest of Group stability and so as to ensure unity of direction to the business plan and its overall activities.
Group or FinecoBank Group:	the group consisting of FinecoBank and its Subsidiaries, currently corresponding to the FinecoBank Banking Group.
FinecoBank Banking Group:	the group consisting of FinecoBank as well as its Entities.

Supervised Intermediaries:	investment companies, Italian and foreign asset management companies, electronic money institutions (IMELs), financial intermediaries recorded in the register according to Article 106 of the Consolidated Law on Banking, payment institutions and foreign financial intermediaries (if supervised) that are part of a banking group whose individual Own Funds exceed 2% of FinecoBank's consolidated Own Funds.
Transactions with members of the Combined Perimeter:	the transactions referred to in Section II, Paragraph 2.
Transactions with Related Parties:	transactions with related parties pursuant to the CONSOB Regulation.
Transactions with Associated Persons:	transactions with Associated Persons pursuant to Bank of Italy Provisions.
Transactions of Greater Relevance:	the transactions referred to in Section II, Paragraph 3.1.
Transactions of Lesser Relevance:	transactions that have parameters below the threshold for Transactions of Greater Relevance and that are different from Smaller Transactions.
Smaller Transactions:	the transactions referred to in Section II, Paragraph 2.2.1 (B).
Ordinary Transactions:	the transactions referred to in Section II, Paragraph 2.2.1 (A).
Owner:	the FinecoBank unit proposing the transaction, which is responsible for activating the operating process and the procedural/decision-making procedure whenever the counterparty is a member of the Combined Perimeter (CONSOB Related Party and/or an Associated Person).
Bank Officers Perimeter pursuant to art. 136 TUB:	the set of persons referred to in Section III, Chapter 1.
Perimeter of the other Banks and of Supervised Intermediaries of the Banking Group:	the set of the relevant persons in potential conflict of interest of the other banks and supervised intermediaries within FinecoBank Banking Group, which contribute to the composition of the Combined Perimeter ¹ .
FinecoBank Perimeter:	the set of persons referred to in Section II, Paragraph 1.1.1.
Combined Perimeter:	the whole of persons referred to in Section II, Paragraph 1.1.
FinecoBank Oversight Unit:	the unit set up within the Corporate Law & Board Secretary's Office Team of FinecoBank with responsibility for coordinating the management of Transactions with members of the FinecoBank Perimeter.
Local Referent:	the person identified by the Subsidiaries acting, as a link and coordination in relations between FinecoBank and its Subsidiaries, in relation to activities with the members of the Combined Perimeter.
CONSOB Regulation:	the Regulations issued by CONSOB with resolution no. 17221 of 12 March 2010 (as subsequently amended), containing provisions on transactions with related parties.
Issuers' Regulations:	the Regulations issued by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended, regulating issuers.
FinecoBank Internal Regulations:	the current regulations approved by the Board of Directors, with a description of the organisational plan and all the powers and responsibilities assigned to the FinecoBank units.
Market Regulations:	the regulations issued by Consob with resolution no. 20249 of 28 December 2017, laying down market provisions.
Associated Persons:	the set of Related Parties and their Connected Persons according to the Bank of Italy Provisions.
Connected Persons:	all Connected Persons within the meaning of the Bank of Italy Provisions.
Persons in Conflict of Interest:	all members of the Combined Perimeter and persons in potential conflict of interest pursuant to Article 136 of the Consolidated Law on Banking.
Consolidated Law on Banking (TUB):	Italian Legislative Decree no. 385 of 1 September 1993, and subsequent amendments and additions (containing the Consolidated Law on Banking).
Consolidated Law on Finance (TUF):	Italian Legislative Decree no. 58 of 24 February 1998, as amended (containing the Consolidated Law on Finance).

¹ Please, note that at the date of this Global Policy any other banks (other than FinecoBank) and Supervised Intermediaries are included in FinecoBank Group.

REGULATORY DEFINITIONS	
Control and Joint Control CONSOB	<p>pursuant to the CONSOB Regulation, <i>control</i> is the power to determine the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when a person holds, directly or indirectly through its subsidiaries, more than half of the voting rights of an entity unless, in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when a person owns half or less of the voting rights that can be exercised at a shareholders' meeting if that party has:</p> <ul style="list-style-type: none"> (a) control of over half of voting rights by virtue of an agreement with other investors; (b) the power to determine the financial and operating policies of the entity by virtue of a statute or an agreement; (c) the power to appoint or remove the majority of the members of the board of directors or equivalent corporate governance body, and control of the entity is held by that board or body; (d) the power to exercise majority voting rights at meetings of the board of directors or equivalent corporate governance body, and control of the entity is held by that board or body. <p>According to the CONSOB Regulation, <i>joint control</i> is where control over an economic activity is shared on the basis of a contract.</p>
Control and Joint Control Bank of Italy	<p>according to Bank of Italy Provisions "<i>control</i>", pursuant to section 23 of the Consolidated Law on Banking, also with reference to persons different from the company, is the control provided for by Article 2359, first and second paragraphs, of the Italian Civil Code; control arising from contracts or statutory clauses that establish or effectively entail the power to exercise management and coordination functions; the cases where control exists in the form of dominant influence.</p> <p>Control also refers to situations of <i>joint control</i>, that is where control over an economic activity is shared on the basis of a contract. In this case, controlling companies are considered to be: (a) the persons who can exercise decisive influence on the strategic financial and operational decisions of a business; (b) other persons able to influence the management of a business due to the stake held, any agreements, whatever the form, and statutory clauses that establish or effectively entail control. Control exists also when it is exercised indirectly, through subsidiaries, trustees or nominees. Companies and firms controlled by entities subject to joint control are not considered indirectly controlled.</p>
Executives with Strategic Responsibilities CONSOB	<p>according to the CONSOB Regulation, <i>executives with strategic responsibilities</i> are those persons who have the direct or indirect power and responsibility for planning, managing and controlling activities of the company, including the directors (whether executive or otherwise) of the company itself.</p>
Corporate Officers Bank of Italy	<p>According to the Bank of Italy Provisions, <i>corporate officers</i> are persons performing administrative, management and control functions at a bank, a parent financial company or a supervised intermediary. The definition includes directors and statutory auditors (permanent and alternate) in the traditional administration system; in the two-tier system, the members of the Supervisory Board and of the Management Board; in the one-tier system, the directors and members of the management control committee. The definition also covers the general manager and anyone whose tasks are equivalent to that of general manager.</p>
Significant Influence CONSOB	<p>according to the CONSOB Regulation, <i>significant influence</i> is the power to participate in the determination of financial and operating policies of an entity without having control. Significant influence may be gained through share ownership, statutory clauses or agreements.</p> <p>If a person owns, directly or indirectly (e.g., through subsidiaries), 20% or more of the voting power of the investee, it is presumed to have significant influence, unless it can be clearly demonstrated otherwise. Conversely, if the person owns, directly or indirectly (e.g., through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence cannot be clearly demonstrated. The presence of a person in possession of absolute or relative majority of voting rights does not necessarily preclude another person from having significant influence.</p> <p>The existence of significant influence is usually indicated by the occurrence of one or more of the following circumstances: (a) representation on the board of directors, or equivalent governing body, of the investee; (b) participation in decision-making processes, including in decisions about dividends or other distribution of profits; (c) the presence of significant transactions between the investor and the investee; (d) exchange of management personnel; (e) the provision of essential technical information.</p>
Significant Influence Bank of Italy	<p>according to the Bank of Italy Provisions, <i>significant influence</i> is the power to participate in the determination of financial and operating policies of an entity without having control.</p>

	<p>If a party directly or indirectly owns 20% or more of the share capital or of the voting power at the investee's ordinary shareholders' meeting or equivalent body, or 10% for companies listed on regulated markets, they are presumed to have significant influence. If a party owns less than the aforementioned thresholds, then the matter has to be specifically examined in-depth to determine if there is significant influence. Such an examination must at least look into the following ratios and take into account any other relevant circumstances: (a) representation on the management body or on the body responsible for strategic supervision at the investee; significant influence is not automatic if a party is able to appoint the minorities' representative pursuant to the rules governing issuers listed on regulated markets; (b) participation in a business' strategic decision-making processes, especially when the party holds the decisive vote for general meeting resolutions on financial statements, dividends, or other distribution of profits, even if the party does not appear to be in a situation of joint control; (c) the presence of significant transactions, meaning 'transactions of greater relevance', the exchange of managerial personnel or the provision of essential technical information.</p> <p>Significant influence also occurs when it is exercised indirectly through subsidiaries, trustees or nominees.</p> <p>Associated companies of entities that are also subject to joint control are not considered to be indirectly subject to significant influence.</p>
Significant interests Bank of Italy	<p>according to the Bank of Italy Provisions, for transactions with or between subsidiaries and with companies subject to significant influence, the procedures may wholly or partially disregard the rules for carrying out transactions with associated persons. The existence of such interests is assessed on the basis of criteria previously defined and formalised in the procedures themselves, in accordance with the guidelines provided by the parent company.</p>
Significant Interests CONSOB	<p>according to the CONSOB Regulation, the procedures may provide that the provisions of said Regulation - without prejudice for the provisions of Article 5, paragraph 8 - do not to apply, wholly or partly, to transactions with or between subsidiaries, including jointly, and to transactions with associated companies, if there are no interests in the subsidiaries or affiliates of the transaction, deemed significant according to the criteria defined by the procedures, of other of the company's related parties. Interests deriving simply from sharing one or more directors or other executives with strategic responsibilities between the company and the subsidiaries or the associated companies are not considered being significant.</p>
Joint Venture CONSOB	<p>according to the CONSOB Regulation, a <i>joint venture</i> is a contractual arrangement whereby two or more parties undertake an economic activity subject to joint control.</p>
Participant Bank of Italy	<p>Pursuant to the Bank of Italy Provisions, a <i>participant</i> is defined as the person that has to apply for the authorisations referred to in articles 19 et seq. of the Consolidated Law on Banking (TUB).</p>
Related Parties CONSOB	<p>pursuant to the CONSOB Regulation, a party is a <i>related party</i> of a company if it:</p> <ul style="list-style-type: none"> (a) directly or indirectly, including through subsidiaries, trustees or nominees: (i) controls the company, is controlled by it or is subject to joint control; (ii) holds an interest in the company which gives it the power to exercise significant influence over it; (iii) exercises control over the company jointly with other parties; (b) is an associate of the company; (c) is a joint venture in which the company is an investor; (d) is one of the executives with strategic responsibility of the company or its controlling company; (e) is a close relative of one of the persons referred to in letters (a) or (d); (f) is an entity in which one of the persons referred to in letters (d) or (e) exercises control, joint control or significant influence or directly or indirectly holds a significant portion, in any case not less than 20%, of voting rights; (g) is a supplementary pension fund, collective or individual, Italian or foreign, set up for the employees of the company, or of any other entity related to it.
Related Parties Bank of Italy	<p>according to the Bank of Italy Provisions, <i>related parties</i> are defined as the persons indicated below, by virtue of their relations with an individual bank, with a bank or an intermediary belonging to a group, with their parent financial company:</p> <ol style="list-style-type: none"> 1. the company representative; 2. the participant;

	<p>3. persons, other than participants, who can independently nominate one or more members of the management body or of the body responsible for strategic supervision, including on the basis of agreements in any form or statutory clauses having as their object or effect the exercise of such rights or powers;</p> <p>4. a company or an enterprise, including an incorporated or unincorporated enterprise, over which the bank or a member of the banking group is able to exercise control or significant influence.</p>
Non-financial Related Parties Bank of Italy	<p>according to the Bank of Italy Provisions, a related party that mainly carries out, directly or through subsidiaries, non-financial business activities as defined in the procedures for shareholdings held by banks and banking groups. A non-financial related party exists when activities other than banking, financial and insurance exceed 50% of total activities. Reference should be made to this figure: (i) for banks and financial companies, in relation to the sum of total assets and guarantees given and commitments; (ii) for insurance companies, in relation to the value of premium income multiplied by a correction factor of 10; (iii) for industrial companies, in relation to the total turnover multiplied by a correction factor of 10. The data of the last financial year should be considered, or, if more recent, those of the interim financial report, annualising those of the income statement.</p> <p>This also includes the investor and one of the related parties referred to in numbers 3 and 4 of the relative definition which is an investment company qualifying as a non-financial firm within the meaning of the above-mentioned regulation on holdings.</p>
Associated company CONSOB	<p>Pursuant to the CONSOB Regulation, an <i>associated company</i> is an entity, even without legal personality, as in the case of a partnership, in which a shareholder exercises significant influence but not control or joint control.</p>
Connected Persons Bank of Italy	<p>Pursuant to the Bank of Italy Provisions, these are understood to be:</p> <ol style="list-style-type: none"> 1. companies and enterprises, including incorporated and unincorporated firms, controlled by a related party; 2. persons that control a related party among those indicated in numbers 2 and 3 of the relative definition, or parties subject, directly or indirectly, to joint control with the same related party; 3. Close Relatives of a related party and companies or firms controlled by them.
Associated Persons Bank of Italy	<p>according to Bank of Italy Provisions, this group consists of a related party and all the persons connected to it. For application at the individual level, the individual banks belonging to a banking group refer to the same perimeter of associated persons determined by the parent company for the entire banking group.</p>
Close relatives CONSOB	<p>Pursuant to the CONSOB Regulation, <i>close relatives</i> are considered persons who may influence, or be influenced by the person involved in relations with the company. They may include: (a) the spouse, as long as not legally separated, and live-in partner; (b) children and dependants of the person, of the spouse not legally separated or of the live-in partner.</p>
Close relatives Bank of Italy	<p>according to Bank of Italy Provisions the '<i>close relatives</i>' are all relatives up to second-degree relatives, the spouse or the live-in partner equivalent of a spouse of a related party as well as the children of the latter.</p>

SECTION I

REGULATORY FRAMEWORK, GOVERNANCE BODIES AND ORGANISATIONAL STRUCTURES

1. AIM AND SCOPE OF APPLICATION

The purpose of this Global Policy is to define, as part of Bank and FinecoBank Group operations, the principles and rules to be observed for monitoring the risk deriving from possible conflict of interest situations determined by the proximity of certain parties to the Bank and other group companies' decision-making centres⁽²⁾.

The *Global Policy* - drafted as an organic compendium with the aim of dealing in a unified manner with governance and application areas as well as with procedural and organisational profiles (identification of persons in conflict of interest, preliminary investigation procedures, disclosure requirements) - contains the provisions to be observed in the management:

- of Transactions with Related Parties CONSOB;
- of Transactions with Associated Persons Bank of Italy and in general of Transactions with members of the Combined Perimeter, and;
- of the obligations of Bank Officers according to Article 136 of the Consolidated Law on Banking).

The *Global Policy* describe the activities relating to:

- the identification, updating and continuous monitoring of the perimeter of Persons in conflict of interest;
- the management of transactions with Persons in conflict of interest, with reference, *inter alia*, to:
 - the identification of transactions;
 - the management of the decision-making process;
 - disclosure and transparency obligations.

The following are also described:

- the procedures for carrying out activities for the management of transactions concluded with Persons in conflict of interest;
- the organisational structures of FinecoBank involved and their role;
- internal and external information flows, also towards the market;
- monitoring and control activities and the procedures for updating the same *Global Policy* .

2. REGULATORY CONTEXT

2.1 REGULATORY FRAMEWORK OF REFERENCE

CONSOB Regulation (*Transactions with CONSOB Related Parties*)

- This Regulation sets out the principles to which Italian companies with shares listed on regulated markets in Italy or other EU countries and with shares widely held by the public must comply in order to ensure transparency and substantial and procedural fairness in transactions with related parties carried out directly or through subsidiaries.
- In order to manage transactions with related parties, CONSOB requires the adoption of specific procedures and assigns tasks to the independent directors (i.e., prior assessments of procedures and transactions with related parties and the issue of relative opinions).

⁽²⁾ It should be noted that at the date of approval of this Global Policy the FinecoBank Group consists of FinecoBank and its only subsidiary Fineco Asset Management DAC.

- It indicates the minimum content of the procedures that must identify, among other things, Transactions of Greater Relevance, exemptions, the independence requirements for directors, the procedures with which transactions are investigated and approved, the procedures/times with which they are provided to the independent directors required to issue the opinions as well as to the administrative and control bodies, the information on the transactions, before the resolution is passed, during and after the execution of the same.
- It requires, among other things, the approval of the procedures by the Board of Directors, with the prior favourable opinion of the Committee of Independent Directors³.

Bank of Italy Provisions (*Transactions with Associated Persons Bank of Italy*)

- Regulation of transactions with Associated Persons Bank of Italy , which is established for Italian banks and Italian banking groups. These regulations aim to monitor how the proximity of these persons to the bank's decision-making centres could compromise the objectivity and impartiality of decisions over the granting of loans and other transactions with the same persons, with possible distortions in the allocation of resources, exposing the bank to risks that are not adequately measured or monitored, and to potential damage to depositors and shareholders.
- In order to manage transactions with associated persons, it requires the adoption of specific resolution procedures and assigns to the independent directors tasks similar to those envisaged by the CONSOB Regulation. The Circular also provides, in certain cases, for the involvement of the Board of Statutory Auditors.
- It indicates the minimum content of the procedures (in substance, similar to that required by the CONSOB Regulation).
- It requires the approval of the procedures by the Board of Directors, with the prior favourable opinions of the committee of independent directors and the Board of Statutory Auditors⁴.

Article 136 of the Consolidated Law on Banking (*Obligations of Bank Officers*)

- Article 136 forbids any parties who hold administration, management and control offices in an Italian bank to undertake obligations of any nature or to execute purchase and sales agreements, either directly or indirectly, with the bank they administer, manage, or control, unless authorised by a resolution of the Board of Directors unanimously passed (excluding the vote of the interested party) and with the favourable vote of all members of the Board of Statutory Auditors, without prejudice for the provisions of the Italian Civil Code in respect of Directors' interests and transactions with related parties.

When mentioning the corporate governance and control bodies, reference is made (here and hereafter) to the board of directors and the board of statutory auditors (both envisaged in the conventional type of administration system).

2.2 ADOPTION OF FINECOBANK BANKING GROUP GLOBAL POLICY FOR THE MANAGEMENT OF TRANSACTIONS IN POTENTIAL CONFLICT OF INTEREST

Approval

³ In FinecoBank, the committee of independent directors is identified with the "Risk and Related Parties Committee".

⁴ See note no. (3) above.

The **Global Policy** is adopted by resolution of the Board of Directors of FinecoBank dated 5 November 2019, after the presentation of analytical and reasoned opinions (binding for the purposes of the resolution of the Board of Directors) on the overall suitability of the Global Policy, issued on 4 November 2019 and 30 October 2019 by the Board of Statutory Auditors and by the Risks and Related Parties Committee, respectively.

This Global Policy fully repeal and replace the previous version thereof (version 4 of 31 July 2018).

Disclosure of the Global Policy

This Global Policy, in the current version, is published – without delay – on the FinecoBank website (www.finecobank.com); they should also be disclosed in the Directors' Report on Operations, in compliance with Article 2391-*bis* of the Italian Civil Code on transactions with related parties.

Review of the Global Policy

FinecoBank, through its Oversight Unit, at least annually evaluates whether to review the Global Policy, taking into account, among other things, (i) any changes in the reference legislation (it being understood that regulatory changes which do not require a process of evaluation and decision-making for their transposition are applied from their date of entry into force and that their formal transposition into the Global Policy will take place as soon as the latter are reviewed), (ii) the effectiveness of the Global Policy in practice, and (iii) any changes to the organisational and corporate structure of the Bank or FinecoBank Group, (iv) remarks by the Supervisory Authorities, as well as (v) the results of audit activities of the corporate control functions or supervisory activity carried out by the controlling corporate bodies.

The revision proposals are submitted for approval to the Board of Directors following a favourable and binding opinion from the Risks and Related Parties Committee and the Board of Statutory Auditors.

Inspection

A brief description of the powers regarding monitoring and control over the procedures of this Global Policy follows below.

The Compliance Function verifies the existence and continuing efficiency of procedures and systems for ensuring compliance with all regulatory obligations and obligations established by the internal regulations, limited to the process of managing transactions with Persons in Conflict of Interest. As part of its audit plans and in accordance with a risk-based approach, the Internal Audit Function verifies the monitoring of the compliance with the regulations at all levels of the company's activities.

As regards, in detail, the respective roles and responsibilities of the functions within the regulatory area dealt with by the Global Policy (including the Technical and Control Functions), please refer to *sub*-section 3.2 and to the Internal Rules of FinecoBank, as well as to the details of the Policy.

The FinecoBank Oversight Unit monitors the implementation of the Global Policy, identifying any need for updating – also with the assistance of the Bank's other units - by submitting proposed amendments to the competent governance bodies for their assessment and approval; it also monitors the operations with Persons in Conflict of Interest.

The Board of Statutory Auditors monitors the compliance of the Global Policy with the principles contained in the relevant legislation, as well as its overall suitability, and ensures it is complied with. To this end, the Board of Statutory Auditors may make use of the audit carried out by the Internal Audit Function and/or request specific analyses and findings from it.

3. GOVERNANCE BODIES AND ORGANISATIONAL STRUCTURES

3.1 GOVERNANCE BODIES

The CONSOB Regulation and the Bank of Italy Provisions provide, in the cases expressly contemplated, for the involvement of the Board of Directors in the decision-making phase of Transactions with Related Parties CONSOB and Associated Persons Bank of Italy(reserved powers), as well as the involvement of the Independent Directors, meeting as a Committee, in the pre-decision-making phase of said transactions (issue of a prior and justified opinion).

Without prejudice to the provisions of this Global Policy, the powers of the corporate bodies involved are described below.

BOARD OF DIRECTORS

The Board of Directors:

- (a) approves the Global Policy for transactions with Persons in Conflict of Interest and subsequent updates, subject to the prior favourable opinions of the Risks and Related Parties Committee and the Board of Statutory Auditors;
- (b) appoints the members of the Risks and Related Parties Committee;
- (c) resolves on FinecoBank's Non-ordinary Transactions of Greater Relevance and of Lesser Relevance, with the exception of transactions that fall within the competence of the Shareholders' Meeting;
- (d) unanimously resolves on FinecoBank transactions that fall within the scope of Article 136 of the Consolidated Law on Banking;
- (e) issues opinions on Non-ordinary Transactions of Greater Relevance and of Lesser Relevance of Subsidiaries;
- (f) receives periodic information according to the criteria indicated in the Global Policy for Transactions of FinecoBank and its Subsidiaries with members of the Combined Perimeter and of the Bank Officers Perimeter pursuant to art. 136 TUB.

Requirements and role of Independent Directors (Risks and Related Parties Committee)

In order to carry out the tasks that the CONSOB Regulation and the Bank of Italy Provisions assign to the Independent Directors, the banks are required to set up an internal committee within the body responsible for strategic supervision, composed of non-executive directors:

- most of them Independent, in the case of Transactions of Lesser Relevance;
- exclusively Independent, in the case of Transactions of Greater Relevance.

In FinecoBank the said committee is entirely made up of independent and non-executive directors.

Without prejudice to compliance with the above membership criteria, the committee in question may be the internal control committee envisaged by the corporate governance provisions (i.e., the risk committee). If there are not sufficient directors in possession of the necessary requirements, the committee's duties are carried out individually by the sole Independent Director or jointly if there are two.

In compliance with the above provisions, FinecoBank's Board of Directors, , set up a Risks and Related Parties Committee composed exclusively of Independent Directors (specifically, the Committee is composed of three Directors, including a Chairman, appointed by the Board of Directors) also entrusting it with the responsibilities provided for by the regulations applicable to the Company in matters of conflicts of interest

and transactions with Related Parties and Associated Persons (as per respectively CONSOB Regulations and the Bank of Italy Provisions).

In addition to the aforementioned independence requirements, the Directors members of the Committee shall possess adequate experience in accounting and finance or in risk management. The Committee is responsible for:

- (a) the formulation of analytical, reasoned and binding opinions (for the purposes of the resolution of the Board of Directors) on the overall suitability of the Global Policy and of the subsequent updates, aimed at achieving the objectives of the aforementioned legal and regulatory provisions. Such an opinion is in addition to the similar one requested from the control function;
- (b) the formulation (where required) of prior and reasoned opinions, in the case of Transactions with members of the Combined Perimeter entered into by FinecoBank and/or its Subsidiaries, with regard to the interest in carrying out such transactions, as well as the appropriateness and substantial fairness of the related terms and conditions;
- (c) in the case of Non-ordinary Transactions of Greater Relevance and of Lesser Relevance carried out by FinecoBank and/or its Subsidiaries, the involvement of one or more delegated members - during the negotiation and preliminary phases - through the receipt of a complete and timely flow of information and with the power to request information, as well as to formulate observations to the delegated bodies and to the persons in charge of conducting the negotiations or preliminary investigations;
- (d) monitoring the Ordinary Transactions carried out by FinecoBank and/or its Subsidiaries, also in order to identify any corrective actions.

Temporary replacement in case of conflict of interest

With reference to each individual transaction, the members of the Committee must be different from the counterparty and persons connected to it.

Should a member of the Committee be a counterparty to the transaction (or a person associated with the counterparty), they must promptly inform the Chairman of the Board of Directors and the Chairman of the Committee, and refrain from taking part in any further work of the Committee concerning the relevant transaction.

In this event, the Chairman of the Board of Directors, after consulting with the Chairman of the Committee, immediately replaces the member who is in conflict of interest by contacting and appointing another independent and unconnected member of the Board of Directors.

Temporary replacement due to unavailability or resignation of Committee members in the event of urgent transactions

In the case of transactions that need to be completed urgently and which require the intervention of the Committee during negotiations and preliminary investigations and/or during the issue of the opinion, the Chairman of the Committee - after having acknowledged the urgency of the transaction and established the unavailability of the majority or all members to meet or to carry out the required activities in time for the transaction to be concluded - shall promptly notify the Chairman of the Board of Directors who will replace the member of the Committee with reference to the individual transaction in relation to which the relationship exists.

In any case, this notice shall be given no later than the day after the Chairman of the Committee received notice of the unavailability of the majority or of all members.

The Chairman of the Board of Directors, after consulting with the Managing Director and General Manager to assess the actual urgency of the transaction, shall immediately re-establish the Risks and Related Parties Committee by appointing the required number of Independent Directors, following the same procedure adopted for the temporary replacement of a member in case of a conflict of interest (appointment of the replacement(s) from independent members of the Board of Directors).

The above also applies if the lack of a majority is due to the resignation of a Committee member.

~ ~ ~

With reference to the above, it should be noted that:

- (a) replacements must be provided in good time with all the information necessary to allow them to perform the duties assigned to them;
- (b) decisions taken by the Board of Statutory Auditors are exclusively attributable to the Independent Directors who took part in the vote (or their respective alternates);
- (c) the alternates shall perform the duties assigned to them until the end of the decision-making phase of the transaction in which they have been involved.

BOARD OF STATUTORY AUDITORS

In compliance with the relevant legislation, the Global Policy provides for the involvement of the Board of Statutory Auditors in the approval process of the same and in subsequent updates and reviews, as well as in the decision-making phase of transactions with Associated Persons (where applicable).

In particular, pursuant to the aforementioned law, the Board of Statutory Auditors:

- issues analytical, reasoned and binding opinions on the overall suitability of the Global Policy regarding transactions with Persons in conflict of interest and subsequent updates aimed at achieving the objectives of the Bank of Italy Provisions;
- formulates preventive and reasoned opinions in the case of Transactions of Greater Relevance if the Independent Directors have previously expressed a negative or qualified opinion, it being understood that the Board of Statutory Auditors must receive adequate information - in terms of methods and contents - about the transaction. In this regard, it should be noted that FinecoBank, in compliance with the CONSOB Regulation, decided to interrupt the decision-making process (without the involvement of the Board of Statutory Auditors) when the Committee issued a negative opinion on the Transactions of Greater Relevance proposed by FinecoBank.

With reference to the obligations of Bank Officers, Article 136 of the Consolidated Law on Banking (applicable only to Italian banks) provides for the involvement of both the Board of Directors and the Board of Statutory Auditors in the decision-making phase (unanimous approval of the Board of Directors and favourable vote of all members of the Board of Statutory Auditors).

3.2 ORGANISATIONAL STRUCTURES

This section describes the roles assigned to the individual organisational structures of FinecoBank and the Subsidiaries each of which is responsible for contributing to the management of the entire process when FinecoBank and/or one of its Subsidiaries concludes a Transaction with a member of the Combined Perimeter or of the Bank Officers Perimeter pursuant to art. 136 TUB .

3.2.1. FinecoBank Oversight Unit

FinecoBank has assigned to the *Corporate Law & Board Secretary's Office Team* the responsibility to coordinate and monitor, according to the Global Policy, activities with Related Parties and Associated Persons pursuant to the CONSOB Regulation and the Bank of Italy Circular, respectively, and with members of the Combined Perimeter or of the Bank Officers Perimeter pursuant to art. 136 TUB .

The FinecoBank Oversight Unit acts as a point of synthesis and link within FinecoBank and in general, within FinecoBank Banking Group, carrying out activities governed by this Global Policy.

The FinecoBank Oversight Unit, which has no merit involvement in the decision-making process:

- (a) has the role of interlocutor and support structure for the purposes of interpreting applicable laws and regulations and complying with the procedures set out in this Global Policy in relation to the Board of Statutory Auditors, the Risk and Related Parties Committee, the transaction Owners and the Local Officers of Subsidiaries in the activities aimed at managing the relative transactions;
- (b) monitors the status of approval, dissemination and implementation of this Global Policy within the Group and within FinecoBank. In this context, it is involved, among other things, in the possible preparation of operating rules to be disseminated internally, aimed at the necessary transposition and at the correct and complete implementation of the operating procedures provided by the Global Policy;
- (c) manages the Combined Perimeter updating based on information received from information providers, using, among other things, the IT systems implemented by the Bank from time to time;
- (d) coordinates the management of Transactions with members of the Combined Perimeter and of the Bank Officers Perimeter pursuant to art. 136 TUB of the Company and its Subsidiaries by interacting with the Owners (as defined and identified below), according to the provisions of the Global Policy;
- (e) collects the reports of the Transactions with members of the Combined Perimeter, verifying the completeness of the information set (also with reference to the assessments made on the type, nature and conditions of the transaction); for transactions to be submitted to the Board of Directors, it also verifies that (i) the opinion of the Risks and Related Parties Committee has been issued; and (ii) the opinion of the competent Technical and Control Functions on the outcome of the *plausibility check* conducted on the assessments made on the conditions and profitability of the transaction, the relationship with the members of the Combined Perimeter and on the documentary evidence provided to support these assessments (see below) has been issued;
- (f) prepares and transmits the information flows referred to in Section II, Chapter 6 of this Global Policy.

The FinecoBank Oversight Unit collects and records information regarding the Bank Officers pursuant to Art. 136 of the Consolidated Law on Banking, using the currently available tools.

The Compliance Officer has the task of supporting the Committee and Board of Statutory Auditors in managing the relative transactions in its capacity as Secretary of the aforementioned Committee.

3.2.2. Transaction Owners and Technical and Control Functions

(a) Transaction Owners

Without prejudice to the responsibilities connected to the roles performed within the organisation, as well as compliance with the management processes of FinecoBank and its Subsidiaries and in relations between them, the transaction Owner first checks whether the particular case can be traced back to the application of the Global Policy and then, where applicable, gathers - during negotiations and preliminary

investigations - the main information regarding the transaction and in particular that concerning (i) the conditions applied to the transaction, (ii) its profitability and (iii) the interest of FinecoBank in its completion.

In case of new transactions or in case of renewal of existing transactions to be submitted to the opinion of the Risks and Related Parties Committee – or if necessary, even if the opinion of the Risks and Related Parties Committee is not required, in the absence of documentary evidence showing that pricing is fully in line with standard market conditions and/or the economic interest of the transaction, as well as in general in all cases where further investigation is necessary – the transaction Owner (in agreement with the FinecoBank Oversight Unit, as far as the latter is concerned, within the limits and on the basis of the information collected during the preliminary phase conducted by the Owner), shall promptly involve the competent Technical and Control Functions, specifically identified below in this Paragraph, so that they carry out, each for their own competence profile and depending on the type of transaction, the plausibility check in order to verify the adequacy of the information on the conditions and economic profitability of the transaction and on the relationship as a whole provided by the transaction Owner (*i.e.*, verification of the assessments carried out regarding the conditions and profitability of the transaction and the relationship with the related party and on the documentary evidence provided to support these assessments) in order to complete the preliminary examination of the case for the consequent issue of the opinion by the Risks and Related Parties Committee.

The Owner then shall report the transaction to the FinecoBank Oversight Unit/Local Referent (informing the FinecoBank Oversight Unit that the relevant thresholds have been exceeded in accordance with the Global Policy), while informing the Bank's Risks and Related Parties Committee for the relevant activities in advance, where applicable and through Compliance, on the understanding that it will always be the Owner's responsibility to clearly point out to the Committee that the relevant thresholds have been exceeded pursuant to the Global Policy. Furthermore, where the Board of Directors' approval of the transaction is necessary, the Owner shall promptly inform the unit responsible for the preparatory activities for the Board of Directors meeting (in particular, the Corporate Law & Board Secretary's Office Team) in order to include the matter in the agenda of the meeting.

If the conditions are met, the transaction Owner is required to comply with the disclosure obligations on transactions with Related Parties CONSOB provided for in Chapter 7 of Section II of this Global Policy, communicating to CONSOB and, if necessary, to the market, taking action to involve the Investor Relator.

The transaction Owner is also required to comply with the obligations to periodically provide information as envisaged in Chapter 6 of Section II of the Global Policy.

(b) Technical and Control Functions

The technical and control functions are identified within the 'Chief Financial Officer Department', the 'Chief Risk Officer Department' (CRO) and the 'Compliance Unit' (collectively, the **Technical and Control Functions**).

Without prejudice to the responsibilities of the Owners, the Technical and Control Functions (each for their own competence profile and depending on the type of transaction) – in line with the following paragraph 4 Section II regarding the verification activities to be carried out by the Technical and Control Functions - in the event of new transactions or in the event of renewal of existing transactions to be submitted to the opinion of the Risks and Related Parties Committee, are responsible for carrying out the plausibility check confirming the assessments made on the conditions and profitability of the transaction, the relationship with the members of the Combined Perimeter and the documentary

evidence provided to support these assessments. The plausibility check can also be made, if necessary, even when the opinion of the Risks and Related Parties Committee is not required - in accordance with the Global Policy, and regulatory provisions - in the absence of documentary evidence showing that pricing is fully in line with standard market conditions and/or the economic interest of the transaction, as well as in general in all cases in which more detailed information is required. The Technical and Control Functions send the results of the checks performed to the Owner and the FinecoBank Oversight Unit.

It should be noted, in particular, that (i) in the case of credit transactions, the functions of the Chief Financial Officer Department and of the Chief Risk Officer Department may be involved, and that (ii) in other types of transactions, the Compliance Unit may be involved.

Chief Financial Officer (CFO) Department of FinecoBank

The CFO department shall, in case of new transactions or also for the renewal of other existing transactions (where the review of the terms and conditions is provided for by contract), seek the opinion of the Risks and Related Parties Committee (or, even if the opinion of the Committee is not required, in the cases where more detailed information is needed) to carry out a plausibility check on the information provided by the transaction Owner, verifying the pricing parameters of the transaction, as well as the use of pricing instruments, in compliance with the product/customer perimeter of the transaction, as provided in the Bank internal regulations.

Chief Risk Officer (CRO) Department of FinecoBank

The CRO, through the competent units, plays a triple role in the process of managing transactions with persons in conflict of interest:

- (a) the CRO's task is to identify any relationships between its counterparties and between them and the FinecoBank Group, from which the qualification of a counterparty as a Related Party or an Associated Person may derive. This task is assigned to the same function as that responsible for following the phenomenon of economic groups for the purpose of monitoring significant exposure;
- (b) in line with the system of delegated powers, it evaluates credit transactions in relation to the conditions applied and analyses the information provided by the proposing department, also preparing, in the cases envisaged, the information flows that the FinecoBank Oversight Unit sends to the Committee. After receiving the opinion issued (where required) by the Committee, through the authorised function or the Board of Directors, if the transaction involves a Board resolution, the Committee is responsible for the resolution of the transaction;
- (c) it measures the risks, including market risks, underlying relationships with associated persons, verifies compliance with the limits assigned to the various structures and operating units and checks the consistency of each one's activities with the levels of risk propensity defined in internal policies;
- (d) furthermore, in the case of new transactions or even for renewals of other existing transactions (where the contract requires that the terms and conditions be revised) to be submitted to the opinion of the Risks and Related Parties Committee (or, even if the opinion of the Committee is not required, in cases where more detailed information is necessary), it carries out a plausibility check on the information provided by the transaction Owner confirming, among other things, compliance with the credit parameters and the sample of comparables as well as an accurate representation of the risk appetite.

FinecoBank Compliance Unit

In the case of new non-credit transactions or of the renewal of other existing transactions (where the review of the terms and conditions is provided for by contract) to be submitted to the opinion of the Risks and Related Parties Committee (or, even if the Committee's opinion is not required, in cases where more detailed information is necessary), the Compliance Unit is responsible for performing the plausibility check, as well as for:

- verifying that the 'four eyes' principle has been implemented in compliance with the relevant internal regulations and that, where envisaged, the relative results are adequately highlighted in the report to the Risks and Related Parties Committee;
- verifying that any deviations from the provisions of the internal regulations are adequately justified and highlighted;
- verifying any situations of conflict of interest involving the external experts who provided the assessments and/or the sources of information used as benchmarks in the preliminary investigation.

The Compliance Unit also verifies, through the execution of second-level controls, the existence and continuing reliability of procedures and systems that are able to ensure compliance with all regulatory obligations and obligations established by the internal regulations, limited to the process of managing Transactions with the members of the Combined Perimeter.

3.2.3. Subsidiaries

Subsidiaries submit the Global Policy to the approval of their respective corporate governance bodies, requesting that it be adopted and implemented – as well as through the adoption if any of their own internal procedures in coordination with the Global Policy (including the procedures described for the plausibility check phases), compatibly with the respective local provisions on the subject in the case of foreign subsidiaries ⁽⁵⁾ – applying safeguards consistent with the aforementioned documents, in accordance with the following guidelines:

- (a) they identify their Local Referent.

The Local Officer of each Subsidiary, who has no merit involvement in the decision-making process:

- monitors the approval, dissemination and implementation status of this Global Policy in the company to which they belong. In this context, it is involved, among other things, in the possible preparation of operating rules to be disseminated internally, aimed at the necessary transposition and at the correct and complete implementation of the operating procedures provided by the Global Policy;
 - supports the FinecoBank Oversight Unit in the management of the Combined Perimeter and in the management of the Subsidiary's transactions to be eventually submitted to the Parent Company bodies;
 - coordinates activities related to transaction management with members of the Combined Perimeter of the Subsidiary, working with the Owners to allow for the timely reporting of transactions to the FinecoBank Oversight Unit. In relation to this, it shall collect and verify transaction reports;
- (b) they implement their own systems to take account of the Combined Perimeter and the main software application of FinecoBank also with subsequent updates;
- (c) for the identification of Transactions with the members of the Combined Perimeter and the assessment

⁽⁵⁾ Without prejudice to the principles and criteria established by this Global Policy, account is taken of the fact that foreign Subsidiaries may also adopt their own procedures in line with local regulatory frameworks.

of their relevance, they adopt the criteria indicated in this Global Policy, also with regard to cases of exclusion;

- (d) in relation to international Subsidiaries, the same also comply with any local regulations on the management of transactions with parties in potential conflict of interest, in conjunction with the Parent Company;
- (e) in the decision-making phases, they give the information about the Transactions with the members of the Combined Perimeter, highlighting the company's interest in concluding the transaction, the economic benefit and the fair application of the conditions;
- (f) without prejudice to compliance with the management processes of each entity (FinecoBank and its Subsidiaries), the Local Referents interact with the FinecoBank Oversight Unit (which has no merit involvement in the decision-making phases and coordinates the various procedural phases of management of the transactions in question in FinecoBank and with its Subsidiaries), including the plausibility check procedures, ensuring that the transaction Owner provides adequate information), without prejudice to the tasks of the Local Referents who, together with the Owners, are responsible for the timely communication of the transaction and the completeness of the contents for the purposes of a complete assessment. In particular, the Subsidiaries, through the relevant Local Officer: (i) follow the analytical instructions provided in the table on pages 37, 38 and 39 of this Global Policy for preliminary checks and assessments; (ii) use the specific form in Annex A for reporting transactions;
- (g) they involve, where envisaged, the FinecoBank Risks and Related Parties Committee through the FinecoBank Oversight Unit and the Central Oversight Unit, in order to obtain a reasoned opinion on transactions with members of the Combined Perimeter, in compliance with the decision-making procedures set out in this Global Policy, without prejudice to the decision-making powers of the respective corporate governance bodies/corporate functions;
- (h) for unlisted subsidiaries, since no ad hoc committees will be set up, the tasks that the regulations (*i.e.* Consob Regulations and Bank of Italy Provisions) assign to Independent Directors are performed by FinecoBank's Risks and Related Parties Committee; specifically, the aforementioned Committee, in accordance with the tasks listed under -Paragraph 3.1. of this Global Policy, will be called upon to: (i) issue (where required by the type of transaction) prior and reasoned opinions in the case of transactions with the members of the Combined Perimeter entered into by the Subsidiaries regarding the interest in carrying out such transactions, as well as the appropriateness and substantial fairness of the relative terms and conditions; ((ii) monitor, also in order to identify any corrective measures, Ordinary Transactions carried out by Subsidiaries;
- (i) prepare internal information flows for the Parent Company FinecoBank (the FinecoBank Oversight Unit is the recipient and acts as a connection point) with regard to the Transactions with the members of the Combined Perimeter. In particular, by the deadline indicated in the request email (which is sent by the FinecoBank Oversight Unit to the Local Coordinators at the end of each month), the Local Referent Persons shall send, *inter alia*, to the FinecoBank Oversight Unit confirmation of the transactions with members of the Combined Perimeter of the reference month, providing evidence of the transactions not yet reported.

IT SYSTEMS FOR THE MANAGEMENT OF TRANSACTIONS WITH MEMBERS OF THE COMBINED PERIMETER AND THE PERIMETER OF THE BANK OFFICERS PURSUANT TO ART. 136 OF THE CONSOLIDATED LAW ON BANKING

The FinecoBank Oversight Unit is equipped with adequate IT systems for the purpose of managing transactions

with members of the Combined Perimeter and the Perimeter of the Bank Officers pursuant to Art. 136 of the Consolidated Law on Banking. These systems allow for the recording and filing of the information collected relating to the members of the Combined Perimeter and the Perimeter of the Bank Officers pursuant to Art. 136 of the Consolidated Law on Banking and the consultation of the same by authorised parties.

Units of FinecoBank and its Subsidiaries are permitted to consult the aforementioned IT systems to continuously verify the composition of the Combined Perimeter and Perimeter of the Bank Officers pursuant to Art. 136 of the Consolidated Law on Banking.

It is possible to verify at any time, already during the preliminary phase of a transaction, whether the conditions allow it to be classified as a Transaction with members of the Combined Perimeter and/or Obligation with a Bank Officer.

The above verification is key in order to ensure the correct application of the pre-decision-making and decision-making procedures envisaged by the Global Policy for the different types of transactions, as well as compliance with the other specific and distinct obligations requested by CONSOB and the Bank of Italy, respectively, for Transactions with CONSOB Related Parties and for Transactions with Bank of Italy Associated Persons.

SECTION II
OPERATING PROCEDURES FOR MANAGING TRANSACTIONS WITH MEMBERS OF THE COMBINED PERIMETER

COMMON PROVISIONS FOR TRANSACTIONS WITH MEMBERS OF THE COMBINED PERIMETER

1. IDENTIFYING, UPDATING AND MONITORING THE COMBINED PERIMETER

The correct management of Transactions with members of the Combined Perimeter, in terms of common decision-making procedures and application of specific provisions for the purposes of CONSOB and the Bank of Italy, is based on the complete and timely identification of Related Parties CONSOB and Associated Persons Bank of Italy as well as the other cases indicated on a discretionary basis by the Parent Company

In consideration of the numerous and significant similarities present in the CONSOB Regulation and in the Bank of Italy Provisions, and in order to make the activities of the Parent Bank and FinecoBank Subsidiaries more effective and simple, the Parent Bank has established a Combined Perimeter at Group level and, consequently, has introduced unique operating procedures for identifying, updating and monitoring this Perimeter.

1.1 COMBINED PERIMETER

Given that, pursuant to the applicable provisions in force, the Combined Perimeter should be made up of the set of perimeters of all banks and Supervised Intermediaries (Italian and international) belonging to the Banking Group, it should be immediately noted that, on the approval date of this Global Policy, the FinecoBank Banking Group consists of the Parent Company and the sole subsidiary Fineco Asset Management DAC, to which the definition of Supervised Intermediary is not applicable. Therefore, in view of the Group's current shareholding structure, the Combined Perimeter relating to the FinecoBank Group is currently made up by the FinecoBank Perimeter only (as a bank and listed issuer). To identify the members of the above perimeters, reference is made to the persons as defined, respectively, by the CONSOB Regulation and by the Bank of Italy Provisions, to which other particular cases may be added both to take account of relations with the Bank and/or the Group, and to consider - among other things - the importance of relations with economic groups that have articulated and complex corporate structures whose corporate and organisational structure may not be fully transparent. In addition, if there are concrete conflicts of interest regarding additional persons, the latter are included among the recipients of the rules.

1.1.1 FINECOBANK PERIMETER

The FinecoBank Perimeter - which, as previously mentioned, comprises the Combined Perimeter - consists of the aggregation of the CONSOB Related Parties and FinecoBank's Bank of Italy Associated Persons, which are reflected in the definitions contained in the CONSOB Regulation and the Bank of Italy Provisions, to which must be added the additional cases provided for on a discretionary basis by the Global Policy, taking into account the laws and regulations in force (the "**FinecoBank Perimeter**"). Each transaction carried out by FinecoBank with one or more members of the FinecoBank Perimeter, as well as with one or more members of the Combined Perimeter, is relevant for both CONSOB and the Bank of Italy, except for the exclusions specified below.

CONSOB Related Parties of FinecoBank

- (1) The person who directly or indirectly, including through subsidiaries, trustees or nominees:
 - (a) control FinecoBank, are controlled by it or are subject to joint control;
 - (b) hold a stake in FinecoBank such that they can exercise a significant influence over it;
 - (c) exercise control over FinecoBank jointly with other persons.
- (2) Associated companies of FinecoBank.

- (3) Joint ventures in which FinecoBank is a participant.
- (4) Executives with strategic responsibilities for FinecoBank or its controlling company (including Directors - executive or otherwise - and Permanent Statutory Auditors and Alternate Auditors).
- (5) The close relatives of one of the persons referred to in points (1) or (4).
- (6) The entities in which one of the persons referred to under (4) or (5) exercises control, joint control or significant influence or directly or indirectly holds a significant portion, in any case not less than 20%, of voting rights.
- (7) Italian or foreign, group or individual supplementary pension funds set up or promoted by FinecoBank, as well as funds over which it has an influence.

Bank of Italy Associated Persons of FinecoBank

Bank of Italy Related Parties of FinecoBank

- (1) The Corporate Officers of FinecoBank.
- (2) FinecoBank shareholders (i.e. the persons who have to apply to the Bank of Italy for authorisation to purchase bank shares, as per Article 19 et seq. of the Consolidated Law on Banking).
- (3) The persons, other than shareholders, who are independently able to appoint one or more members to FinecoBank's management body or body responsible for strategic supervision also on the basis of agreements in any form entered into or statutory clauses having as their object or effect the exercise of such rights or powers.
- (4) Companies or firms, whether incorporated or not, over which FinecoBank is able to exercise control or significant influence.

FinecoBank also conducts a survey of the relatives up to the second degree of the persons in points (1), (2) and (3), keeping this information available for any requests from the Bank of Italy.

Bank of Italy Connected Persons of FinecoBank

- (5) Companies and firms, whether incorporated or not, that are controlled by a related party (1) to (4).
- (6) The persons who control a related party among those indicated in numbers (2) and (3) or persons directly or indirectly subject to joint control with the same related party.
- (7) Close relatives of a related party (1 to 4) and companies or firms controlled by them.

Persons included in the FinecoBank Perimeter on a discretionary basis

- (i) Persons who directly or indirectly, including through subsidiaries, trustees or nominees, hold more than 3% of the share capital of FinecoBank represented by shares with voting rights, as well as persons that are directly or indirectly controlled by them and close relatives thereto, as well as companies or firms controlled by them;
- (ii) the persons who have concluded an agreement (between them), stipulated in any form for the joint exercise of voting rights at the FinecoBank Shareholders' Meeting exceeding the legal threshold of the share capital for compulsory declaration to the public (and in any case not less than 3%), and the persons that directly or indirectly control them and those who are directly or indirectly controlled by

them, as well as the close relatives of the controlling companies and the companies or firms controlled by them;

- (iii) the Head of the Internal Audit Function, as well as close relatives and companies or firms controlled by the latter and Entities/Companies, even if unincorporated, in which he/she exercises control, joint control or significant influence or directly or indirectly holds a significant portion, in any case not less than 20%, of voting rights;
- (iv) any further legal connections that may result in the qualification of a counterparty as a Related Party, as identified by the competent Credit Risk Officer unit based on the information in their possession.

The following is a summary table of the FinecoBank Perimeter:

	CONSOB Related Parties	Associated Persons Bank of Italy		Other entities included in the Combined Perimeter		
		Related Parties	Connected Persons	Shareholders > 3% ⁽²⁾	Other Officers ⁽³⁾	Risk Connections ⁽⁴⁾
FinecoBank Perimeter	X ⁽¹⁾	X	X	X	X	X

(1) FinecoBank executives with strategic responsibilities are included (including directors - executive or otherwise - and Permanent Statutory Auditors and Alternate Auditors).

(2) As recorded as well as following disclosures on significant shareholdings pursuant to Article 120 of the Consolidated Law on Finance.

(3) The Head of the Internal Audit Function of FinecoBank, as well as close relatives and companies or firms controlled by the latter and entities/companies, even if unincorporated, in which he/she exercises control, joint control or significant influence or directly or indirectly holds a significant portion, in any case not less than 20%, of voting rights.

(4) For the purposes of identifying the persons belonging to the FinecoBank Perimeter categories, it is also established that Credit Risk Officer, on the basis of the information in their hands, supplements the declaration of the member of the Combined Perimeter with the possible further juridical connections entailing the qualification of Connected Person.

1.2 COLLECTION, MONITORING AND RECORDING OF INFORMATION REGARDING THE COMBINED PERIMETER

The members of the **Combined Perimeter** are required to provide the information necessary to allow identification of the persons it refers to and to promptly report any subsequent changes.

The information pertaining to the Combined Perimeter is acquired by the FinecoBank Oversight Unit, which sends it to the competent Bank unit to feed the related FinecoBank database ("XF") and carry out the relevant census according to the technical methods available from time to time. To this end, if necessary the Subsidiaries (as members of the Combined Perimeter) in turn provide the necessary information to allow their precise identification (and that of the components of the respective perimeter) and promptly report any subsequent change. This information, acquired by the Parent Company units, is suitably recorded.

The survey of the persons of the Combined Perimeter may also take place *ex post*, i.e. when establishing relationships with new customers who have not already been registered as such, but for whom it can be assumed - on the basis of factual indices and the information available - that the conditions allow them to be considered 'relevant' to the composition of the Combined Perimeter. In such cases, the structure that establishes the relationship shall promptly notify the Central Oversight Unit of this circumstance in order to carry out the necessary assessments. Once it has been clarified that the conditions are in place to conduct the survey, the unit promptly collects and sends the information needed for the survey to the Central Oversight Unit. Notifications to the Oversight Unit) are sent by email to the following email address: PresidioFinecoBank@fineco.it.

FinecoBank Oversight Unit

The FinecoBank Oversight Unit checks the consistency and completeness of the information received, also requesting - directly or through the responsible units – any further information or confirmations.

The FinecoBank Oversight Unit makes the recordings according to the technical methods available from time to time within two working days of receiving the notification about the information relating to the Combined Perimeter and requests the members of the Perimeter for an annual update of the information already communicated.

The correct input of the FinecoBank IT software is checked by the Bank's Organisation function, which manages the XF software.

On a quarterly basis, the FinecoBank Oversight Unit submits the list of the transactions carried out in the reference quarter to the competent internal Function (Supervisory Team) so the same Supervisory Team Function can provide supervisory reports for risk activities with Related Parties (Bank of Italy) for consolidated reporting purposes.

The information relating to the Combined Perimeter is available through consultation (*i*) of the available IT systems from time to time or (*ii*) of the "XF" application or also (*iii*) of the periodic file attached to the monthly request for information about the execution or non-execution of transactions with parties within the Combined Perimeter.

Subsidiaries

Subsidiaries (as members of the FinecoBank Perimeter) in turn provide, as the case may be, the information necessary to allow their prompt identification (and that of the members of their perimeter) and for the timely reporting of any subsequent changes. This information, acquired from the Parent Bank is recorded according to the technical methods available from time to time.

1.4 CO-OWNERSHIPS

The knowledge within the Group of the members of the Perimeter who are also co-Owners of relationships with a bank or a Financial Intermediary is key to enabling the proper supervision of the management of Transactions with the members of the Combined Perimeter.

In fact, this survey makes it possible to subject the transaction and the related supervisory reports (activities at risk) to the Global Policy, considering that any transaction to be carried out on a co-owned relationship is recorded for these purposes for the member of the Combined Perimeter, when it is part of the co-ownership.

FinecoBank and its Subsidiaries (where interested) also implement their own procedures in order to perform a local survey of 'co-ownerships' referring to the members of the Combined Perimeter.

1. TRANSACTIONS WITH MEMBERS OF THE COMBINED PERIMETER

2.1 CRITERIA FOR IDENTIFICATION OF TRANSACTIONS

'**Transactions with members of the Combined Perimeter**', which include members of the FinecoBank Perimeter, are the transactions that FinecoBank carries out with the members of the Combined Perimeter involving the assumption of risk activities, and the transfer of resources, services or obligations, regardless of whether an amount due is agreed. FinecoBank pays attention to the substance of the relationship and not simply to its legal form for the identification of the transactions in question.

These in any case include:

- (i) mergers, demergers by incorporation or strictly non-proportional demergers, when carried out with the members of the Combined Perimeter (demergers in the strict sense of the term, of a proportional nature, are not included as they are operations intended for all shareholders on equal terms) and capital increase transactions;
- (ii) decisions concerning the awarding of remuneration and economic benefits, in any form, to members of the administrative and control bodies and to Executives with Strategic Responsibilities, without prejudice to the exclusions provided for in paragraph 2.2 below.

They also include, by way of example and not exhaustively:

- banking transactions, whether of deposits or of loans ⁽⁶⁾;
- the provision of investment services, both principal and ancillary;
- the distribution of financial and insurance products;
- contractual agreements of any nature other than those indicated above;
- new concessions, periodic changes and reviews of credit facilities (loans and lines of credit) and other transactions involving the assumption of credit risk (such as the issue of guarantees, commitments to disburse funds and the deposit of securities), even if formalised as framework resolutions or internal ceilings/limits (so-called credit ceilings 'on which transactions are pending'), for which the determination of the constituent elements (amount, type of transaction, duration, nature, conditions applied, etc.) is ascertained. In the absence of these constitutive limits, internal ceilings/limits are not counted as transactions pursuant to this Global Policy.

2.2 CASES OF EXCLUSION

(A) Transactions for which the provisions of the CONSOB Regulation and of the Bank of Italy Provisions do not apply:

- (i) transactions with and between Entities (including between FinecoBank and its Subsidiaries) when there is a relationship of total control between them (including fund transfers or collateral transactions carried out as part of the consolidated liquidity risk management system), provided that there are no

⁽⁶⁾ CONSOB Communication DEM/10078683 of 24 September 2010 specifies that '*related party transactions also include syndicated loans provided by pools of banks in which a related party participates [...]. Financing transactions in which the related party acts, either alone or together with other banks, as arranger or lead manager are therefore always subject to the Regulation*'.

Significant Interests in the transaction or in the counterparties to the transaction involving other members of the Combined Perimeter, , in the case of total control, the existence of 'significant interests' means the presence of remuneration systems for Executives with Strategic Responsibility who depend significantly (more than 25% of total remuneration) on the results for the period achieved by the companies with which the transaction is carried out;

- (ii) Shareholders' Meeting resolutions pursuant to Article 2389, Section 1, of the Italian Civil Code, concerning the remuneration due to members of the Board of Directors and resolutions concerning the remuneration of Directors who perform special functions that fall within the total amount previously determined by the Shareholders' Meeting pursuant to Article 2389, Section 3, of the Italian Civil Code;
- (iii) Resolutions of the Shareholders' Meeting pursuant to Article 2402 of the Italian Civil Code, relating to the remuneration of the members of the Board of Statutory Auditors;
- (iv) remuneration plans based on financial instruments approved by the Shareholders' Meeting pursuant to Article. 114-*bis* of the Consolidated Law on Finance and the relative implementing transactions;
- (v) resolutions, other than those referred to in Article 2389, paragraph 1, of the Italian Civil Code, concerning the remuneration of Directors holding particular offices, as well as other Executives with Strategic Responsibilities, assuming that:
 - FinecoBank has adopted a remuneration policy;
 - the “*Remuneration Committee*”, which exclusively comprises of non-executive and independent directors, is involved in defining the remuneration policy;
 - The remuneration policy report is submitted to the FinecoBank Shareholders' Meeting for approval;
 - all the remuneration allocated is consistent with the aforementioned policy;
- (vi) transactions to be carried out on the basis of instructions to safeguard stability issued by the Supervisory Authorities or on the basis of instructions issued by FinecoBank in execution of instructions issued by the Supervisory Authorities in the interest of the Group’s stability, without prejudice to the provisions of Article 5 of the CONSOB Regulation.

(B) Other cases of exclusion:

FinecoBank, using the option provided both by the CONSOB Regulation and by the Bank of Italy Provisions, excludes Ordinary and Smaller Transactions as defined below from the application of the Global Policy (referred to in this Section).

2.2.1 'Ordinary' and 'Smaller' transactions

(A) Ordinary transactions

These are transactions with members of the Combined Perimeter: (i) of **Lesser Relevance** (i.e. different from Minor ones, as defined below, and below the threshold for Transactions of Greater Relevance); (ii) of an **ordinary nature** (i.e. falling within the ordinary conduct of the Bank's business or of the related financial activity); (iii) **concluded at market or standard conditions** (details of ordinariness and market/*standard*).conditions are provided below).

Such transactions are not subject to the decision-making procedures provided for in this Section (see Chapter 5 below), it being sufficient to:

- (a) indicate in the resolution the evidence proving the ordinary nature of the transaction, with reference to the criteria indicated below;
- (b) prepare a quarterly information flow, at least of an aggregated type, enabling the adequate monitoring of this type of transaction, also by Committee, so as to be able to take any corrective measures.

The following are not classified as Ordinary Transactions:

- Transactions with members of the Combined Perimeter of Greater Relevance and of Lesser Relevance that are not of an ordinary nature or are carried out at market or *standard* conditions;
- debt restructuring activities in whatsoever technical form articulated (including restructuring plans and, where compatible with FinecoBank's activities, Debt-to-Equity swaps in companies in temporary financial difficulty or carried out for credit recovery reasons) approved for members of the Combined Perimeter;
- the restructuring activities referred to in the previous paragraph, which had to be carried out under terms and conditions different from those envisaged in the resolution, or any further transactions in addition to those initially contemplated;
- transactions related to credit recovery activities, regardless of how they are carried out in the working practice, thereby meaning those activities concerning settlement judicial or extra judicial agreements with the counterparty, or write-offs. Activities relating to forced recovery in judicial or bankruptcy proceeding, as well as the procedures merely concerning the assessment of reserves or the closing of a position for impossibility to collect as ascertained during judicial or insolvency proceedings are not considered as transactions.

Clarifications on 'ordinariness' and 'market/standard conditions'

Ordinary occurs when two selective criteria are met:

- the transaction must be attributable to '*operating activity*' or, alternatively, to the *connected financial activity*;
- the transaction must be part of the *ordinary running* of the company's transactions or related financial activity.

'*Operating activities*' are defined as all the main revenue-generating activities of the company and all other management activities that cannot be classified as 'investment' or 'financial'.

According to CONSOB Communication DEM/10078683 of 24 September 2010, the classification of a transaction within one of the three main areas of activity (operating, investment and financial) is to be made on the basis of the activity carried out by the company; for banks, for example, lending, in whatever form, can be classified as an operating activity rather than an investment activity, since it is one of the company's main revenue-generating activities.

The reference to '*financial activities connected with operating activities*' refers to transactions which, although in the abstract qualify as financial, are mainly of an ancillary nature to operating activities.

In order to assess whether a transaction falls within the '*ordinary course of business*' of the operating or related financial activity, the following elements should be taken into consideration:

- (a) object of the transaction: the transaction must be related to ordinary activity. The fact that the transaction does not relate to the Bank's typical activities constitutes an anomaly which may indicate that it is not ordinary;

- (b) frequency of the type of transaction within the company's area of activity: the regular repetition of a transaction by FinecoBank is a significant indicator of it being an ordinary business activity, in the absence of other indicators to the contrary;
- (c) the size of the transaction: a transaction that is part of the operating activity may not fall within the ordinary exercise of that activity because of its particularly significant size. What is important is that the transaction is not significantly bigger than the usual size of similar transactions carried out by the Bank. In any case, Transactions of Greater Relevance are not Ordinary;
- (d) contractual terms and conditions, also with regard to the characteristics of the remuneration: in general, the simplicity of the economic and contractual scheme-together with the objectivity of the conditions, constitutes an indicator of ordinariness. In particular, transactions for which a non-monetary remuneration is envisaged, even if they are the subject of appraisals by third parties, are normally considered as not falling within the ordinary course of business. Similarly, contractual terms that depart from custom and negotiating practice may be a significant indication of non-standardness;
- (e) nature of the counterparty: in the context of transactions already subjectively qualified, as they are carried out with the members of the Combined Perimeter, it is possible to identify a subset of transactions that do not fall within ordinary operating activities (or the related financial activity) because they are carried out with a counterparty some of whose characteristics are anomalous with respect to the transaction completed⁽⁷⁾.

Market or standard conditions are generally achieved when:

- (1) carried out with counterparties that are not members of the Combined Perimeter with reference to transactions with similar characteristics in terms of size, nature, type, level of risk, etc.;
- (2) which can be inferred from handbooks, tariff rates, product tables, framework agreements, etc. or on the basis of legally defined and imposed conditions;
- (3) practised in similar transactions by comparables, where available.

The reasons for any deviation of the economic and contractual conditions applied to the transaction from *standard* or market conditions must be adequately justified by the desirability and economic benefit of carrying out the transaction itself.

The cost-effectiveness of the transaction must be presented in order to determine the Bank's economic interest in carrying out the transaction; in this sense, useful information must be provided to highlight the parameters used in the assessment, in relation to the type of transaction.

For Transactions of Greater Relevance, ordinary, and concluded under market conditions (excluded from the area of application of the exemption referred to in point A (*i.e.* exemption for 'Ordinary Transactions', as defined above), the standard nature and cost-effectiveness of the transaction must be apparent, among other things, from the documentation accompanying the decision taken in accordance with the management

⁽⁷⁾ In accordance with CONSOB Communication DEM/10078683 of 24 September 2010, the relevance of the above elements will be assessed with particular attention also being paid to the time of approval and completion of the transaction. In particular, when assessing the indicators of belonging to the ordinary performance of operating activities and the related financial activities, an element of anomaly may take on greater weight, in this opinion, if the transaction is resolved near the end of the financial year of the listed company or of the related party. Furthermore, in assessing whether a transaction could qualify as an 'ordinary transaction', the business of the company that carries out the transaction will be taken into consideration: this also applies if the company carrying out the transaction draws up consolidated financial statements or is included in the consolidation area of the financial statements drawn up by the company required to apply the procedures. Therefore, if the transaction is carried out by [or more precisely 'through'] a subsidiary of the listed company, it will take over the activity carried out (or one of the activities normally carried out) by the subsidiary.

processes envisaged and supported by a suitable assessment (a so-called plausibility check) by the Technical and Control Functions, each responsible for its own area of competence, with regard to the verification of the adequacy of the information on the conditions and economic profitability of the transaction and of the report as a whole provided by the Owner.

The results of the above preliminary investigation phase are therefore provided to the bodies involved in the resolution process and, in particular, to the Committee for the issue by the latter of its opinion, when the conditions are met, having received adequate and complete information on the actual profitability both of the transaction and of the overall relationship with the member of the Combined Perimeter (also acquiring information on the economic returns of other relationships existing with the same, if any).

(B) Smaller Transactions

These are Transactions with the members of the Combined Perimeter, ordinary in nature (i.e., falling within the Bank's ordinary operating activities or of the related financial activities) and concluded at market or standard conditions ⁽⁸⁾ for which the equivalent value of the transaction is less than EUR 250,000.00 or the equivalent value in another currency.

Such transactions are not subject to the decision-making procedures provided for in this Section and do not form part of the periodic information flows provided for in Chapter 6 below.

On the basis of the above definition, it follows the term Smaller does not apply to:

- transactions (even if of an ordinary nature and at market or standard conditions) for which equivalent value of the transaction exceeds EUR 250,000.00;
- transactions of a non-ordinary nature and/or at conditions other than market or standard, even if the equivalent value of the transaction is less than EUR 250,000.00 (such transactions qualify as 'non-ordinary Transactions of Lesser Relevance').

In order to ensure continuous monitoring of Smaller Transactions the transaction Owner is in charge of the checks. If several transactions involving the same related party and the associated persons with it fall below the threshold and are completed in the 12 months following the first transaction for an overall amount exceeding the thresholds, the transaction Owner will report the entire transaction to the FinecoBank Oversight Unit for the purpose of including it in the periodic information flows pursuant to this Global Policy. In the event of a cumulative transaction in which there are one or more non-ordinary transactions or transaction that are not in line with market/standard conditions, the last transaction (the one causing the overrun of the threshold) will be subjected (in the context, however, of the entire relation with the counterparty) to the decision-making procedures.

2.3 MACROCLASSES OF REFERENCE OF THE TYPES OF TRANSACTIONS IDENTIFIED

The application of some phases of this Global Policy differs in relation to the type of transaction; therefore, in order to facilitate identification and recognition, three macroclasses of transactions have been identified to which specific management methods described below have been referred.

⁽⁸⁾ In this regard, reference should be made to point (A) above regarding the meaning of 'ordinary' and 'market/standard conditions'.

MACROCLASSES OF TRANSACTIONS		
(A)	(B)	(C)
Continuing relationships (e.g. current accounts and securities deposits)	Acquisition transactions and sale of equity investments/assets	Transactions to which only the equivalent value ratio (*) is applied

(*) *Residual macroclass including all those transactions that do not fall within classes (A) and (B)*

2.3.1 Continuing Banking Relationship and other Transactions for which the Value (A) has not been previously determined

'Continuing relationships' are contractual obligations that may not immediately entail 'a transfer of resources, services or obligations', such as the opening of current accounts, securities deposits, etc. The 'equivalent value' ratio is not determined for these continuing relationships.

In such cases, the transaction Owner, who ends the continuing relationship, without prejudice to the normal transactions connected to it, carries out the assessment not with regard to the amount of the transaction, but in relation to the terms and conditions applied, in order to assess whether they are equivalent to market and/or standard ones. It follows that the assessment of the conditions must be carried out again following any subsequent changes.

Individual transactions based on continuing relationships (deposit/withdrawal, sale of securities, initial or subsequent contribution, etc.) must not be subject to specific evaluation procedures, unless different conditions apply to their execution than those initially approved or they are Transactions of Greater Relevance which, on the basis of the definitions previously given, are not classified as Ordinary Transactions.

The FinecoBank Oversight Unit receives (at PresidioFinecoBank@fineco.it) prior notification from the transaction Owner of the continuing relationship using the forms provided in the attachment (specifically, by receiving **Annex 'A'**) when:

- conditions other than market or standard conditions are applied to the continuing relationship;
- against a continuing relationship initially regulated at market or standard conditions, the same transactions are carried out which - as a result of changes in the conditions or for the application of non-market/standard conditions to specific transactions - require the application of the pre-decision-making and decision-making procedures provided for Transactions with members of the Combined Perimeter depending on the type of transaction proposed.

In this regard, the transaction Owner, gathering the documentation referring to the continuing relationship or to the transaction on the continuing relationship and the information relating to the conditions, submits the same to the Committee for evaluation for the issue of the prior opinion, in accordance with this Global Policy.

2.3.2 Acquisition and Sale Transactions of equity investments/assets/business divisions **(B)**

This category includes transactions settled with a cash outlay that may involve different assets: equity investments, business divisions, legal relationships, companies and individual assets.

The transaction Owner checks the counterparty of the transaction and acquires the information necessary to complete – prior to the definition of the decision-making process and the related transparency and disclosure

obligations – the analysis to identify the class to which the transaction belongs (by size, nature and conditions), if the reasons for exemption do not apply to the transaction.

The FinecoBank Oversight Unit receives (at PresidioFinecoBank@fineco.it) prior notification from the transaction Owner by means of the attached forms (*sub Annex 'A'*), in order to ensure compliance with the pre-decision-making and decision-making procedures provided for the Transactions depending on their type.

2.3.3 Transactions to which only the Equivalent Value Ratio (C) applies

In the event that the transaction belongs to one of the various types of transactions (credit, procurement, real estate, etc..) for which only the equivalent value ratio is applicable, the Owner's in assessing the transaction aims to check, through the information found in XF and/or through periodic reports/flows sent by the FinecoBank Oversight Unit the counterparty of the transaction (so as to determine that it is a Transaction with a member of the Combined Perimeter) and to acquire the information necessary to complete - prior to the definition of the decision-making process and the related transparency and disclosure requirements - the analysis to identify the class to which the transaction belongs (by size, nature and conditions), if the reasons for exemption do not apply to the transaction.

The FinecoBank Oversight Unit receives (at PresidioFinecoBank@fineco.it) prior notification of the transaction Owner (through the FinecoBank Oversight Unit) using the forms provided in the attachment (specifically, by receiving **Annex 'A'** and, in the cases provided for therein, also by receiving **Addendum 'A1'**), in order to ensure compliance with the pre-decision-making and decision-making procedures required for Transactions depending on the type of transaction proposed.

3. SIGNIFICANCE OF TRANSACTIONS

3.1 IDENTIFICATION OF TRANSACTIONS OF GREATER RELEVANCE

Transactions of Greater Relevance are those in which at least one of the following 'Relevance Ratios', applicable according to the specific transaction, is higher than the threshold of 5% of FinecoBank's own funds; For the acquisitions, mergers and carve outs the threshold, of 5% , has to be calculated using the methods indicated below for the “Asset Relevance Ratio”.

- (a) *Equivalent-value relevance ratio*: this is the ratio between the equivalent transaction and the consolidated Own Funds of FinecoBank as per the most recently published consolidated balance sheet. If the economic conditions of the transaction are set, the transaction value is:
- for cash components, the amount paid to/by the contractual counterparty;
 - for the financial instrument components, the fair value calculated, on the transaction date, in accordance with the international accounting standards;
 - for funding transactions or the granting of guarantees, the maximum amount payable.

If the economic conditions for the transaction are linked to either partially or completely unknown magnitudes, then the equivalent transaction value is the maximum amount payable or receivable under the agreement (for multi-year services for which a fee is paid, the value is their current value).

- (b) *Asset relevance ratio*: this is the ratio between the total asset of the entity that is the subject of the transaction and FinecoBank's total assets. The data to be used must be taken from the most recently published balance sheet (consolidated, if prepared); where possible, similar data shall be used to determine the total assets of the entity subject to the transaction.

For transactions involving the acquisition or sale of shareholdings in companies that have impact on the consolidation area, the value of the numerator is the total asset of the investee, regardless of the percentage of capital available.

For the transactions involving the acquisition or sale of shareholdings in companies that no impact on the consolidation area, the value for the numerator is:

- for acquisitions, the transaction value increased by liabilities for the purchased company taken on by the purchaser;
- for disposals, the amount of the asset sold.

For acquisitions and disposals of the other assets (other than shareholdings), the value for the numerator is:

- for acquisitions, either the value or the book value to be attributed to the asset, whichever is greater;
- for disposals, the book value of the asset.

- (c) *Liabilities relevance ratio*: this is the ratio of the total liabilities of the acquired entity and FinecoBank's total assets. The data to be used must be taken from the latest balance sheet published (consolidated, if prepared); Where possible, similar data should be used to determine the total liabilities of the company or business unit (branch) acquired.

3.2 FRAMEWORK RESOLUTIONS

FinecoBank may use 'framework resolutions' relating to specific categories (more correctly series) of similar transactions with certain members of the Combined Perimeter. The resolutions are adopted by the Board of Directors.

To this end, the following is envisaged:

- (a) for the purposes of the approval of the framework resolutions, the procedural mechanisms provided for Transactions of Greater Relevance and of Lesser Relevance must be observed in relation to the expected maximum amount of the transactions covered by the framework resolution, considered cumulatively;
- (b) framework resolutions expire after one year and must refer to sufficiently defined transactions, and state the expected maximum amount over the reference period and the reasons for the conditions provided;
- (c) proposing offices must inform the Board of Directors about the implementation of framework resolutions, with the support of the FinecoBank Oversight Unit, on at least a quarterly basis;
- (d) when approving a framework resolution, the Company must publish, for the sake of transparency, an information document, compiled in compliance with the CONSOB Regulation, if the expected maximum amount of the transactions covered by the framework resolution, considered as a whole, exceeds the threshold of Greater Relevance. In this case, the Central Oversight Unit must be informed of this for the activities for which it is responsible. Transactions concluded in implementation of a framework resolution subject to an information document are not counted as cumulative transactions (see Paragraph 5.4 below).

4. MANAGEMENT OF TRANSACTIONS CONCLUDED WITH THE MEMBERS OF THE COMBINED PERIMETER

The procedural methods and decision-making procedures described in this paragraph and in the following ones apply whenever FinecoBank intends to carry out a transaction with a member of the Combined Perimeter.

In particular, the transaction management process begins when the Owner of the FinecoBank transaction starts negotiations, is followed by the preliminary phase, and ends with the resolution of the transaction, which may take place in various ways depending on the characteristics/qualification of the transaction.

In this context, the following should be noted:

- (i) the transaction Owner, without prejudice to the compliance with the management processes envisaged within the Bank, gathers - from the negotiation and preliminary investigation phases - the main information about the transaction and carries out the necessary preliminary checks and evaluations. In this regard, detailed information is provided in the table below '*Preliminary checks and evaluations of the transaction*', to which the Owner must refer;
- (ii) as already specified in Paragraph 3.2.3, in case of new transactions or in case of renewal of existing transactions to be submitted to the opinion of the Risks and Related Parties Committee - or, if necessary, even if the opinion of the Risks and Related Parties Committee is not required, in cases where more detailed information is necessary), the transaction Owner (in agreement with the FinecoBank Oversight Unit as far as the latter is concerned, within the limits and on the basis of the information collected during the preliminary phase conducted by the Owner) involves the competent Technical and Control Functions promptly, so that they carry out, each for their own competence profile and depending on the type of transaction, the plausibility check to verify the congruity of the information on the economic conditions and profitability of the transaction and of the relationship as a whole provided by the transaction Owner (i.e. verification of the assessments carried out on the conditions and profitability of the transaction and the relationship with the related party and on the documentary evidence provided to support these assessments) in order to complete the preliminary examination of the case for the consequent issue of the opinion by the Risks and Related Parties Committee;
- (iii) once the preliminary checks and assessments have been completed, the transaction Owner then reports the transaction to the FinecoBank Oversight Unit at the relative mailbox (PresidioFinecoBank@fineco.it), where applicable in order to complete the procedure expressly and clearly highlighting to the FinecoBank

Oversight Unit any breaches of the relevant thresholds pursuant to the Global Policy (specifically, by compiling and sending **Annex 'A'** and, in the cases provided for therein, also **Addendum 'A1'**). The following table provides detailed information on this matter: *'Reporting of the transaction to the FinecoBank Oversight Unit'*, to which the FinecoBank Owner/Oversight Unit must refer.

- ✓ *The report is forwarded to the FinecoBank after its assessment by the proposal/decision-making unit, which ensures the completeness and accuracy of the report (counterparty, type of transaction and relevance -, nature and conditions, possible applicability of Article 136 of the Consolidated Law on Banking), as well as the timeliness of the same. In addition, the decision-maker shall provide information about the benefits of the transaction as well as about the appropriateness and substantial fairness of its terms and conditions. Such information is, inter alia, considered necessary to enable the Committee to express its opinion where envisaged by this Global Policy.*

(iv) Without prejudice to the provisions of *sub* Section I, Paragraph 3.2.3. of this Global Policy regarding the responsibilities of the Owner, the FinecoBank Oversight Unit carries out the checks and consequently - in agreement with the transaction Owner - activates the decision-making process (different depending on the characteristics of the transaction) or keeps evidence and then includes it in the internal information flows described in Chapter 6 below.

- ✓ *Based on the information received in the report, the FinecoBank Oversight Unit verify, among other things, that the Owner has classified the transaction correctly.*
- ✓ *The FinecoBank Oversight Unit implement the approval process by interacting with the transaction Owner and the relevant Committees. The procedure varies according to the relevance threshold (of greater or lesser relevance), the nature of the transaction (ordinary or non-ordinary) and the conditions applied (standard or market conditions or those other than standard or market conditions). Aspects relating to the decision-making process are discussed in detail in Chapter 5 below.*

PRELIMINARY CHECKS AND ASSESSMENTS ON THE TRANSACTION	
Counterparty	The Owner checks whether the counterparty is a member of the Combined Perimeter by using the available tools (or, if it is not possible to access these tools or assistance is required to do so, by consulting directly with the FinecoBank Oversight Unit).
Typology	The Owner gathers the main information about the transaction (purpose, type, amount, technical characteristics, economic and contractual conditions, etc.). In this context, they check whether the type of transaction proposed is relevant for the application of the regulations on Transactions with Related Parties (CONSOB) and Associated Persons (Bank of Italy).
Relevance	The Owner determines the relevance of the transaction by applying one or more of the 'Relevance Ratios', based on the type of transaction, provided for by the CONSOB Regulation and the Bank of Italy Provisions, in order to classify it, in terms of size, as a Transaction of Greater Relevance or Lesser Relevance.
Nature and conditions	The Owner assesses the nature of the transaction (ordinary or non-ordinary) and the conditions applied (market or standard or different from market/standard). With reference to the conditions, the information must be analytical, verifiable and such as to confirm the outcome of the assessment. <i>In the case of credit transactions, the offeror of the transaction provides the necessary information and an initial assessment of the conditions applied (market or standard or different from market/standard) to the decision-maker, who checks the information</i>

	<i>provided by the offeror and expresses their opinion before the transaction is forwarded to the FinecoBank Oversight Unit. For more complex transactions, the decision-maker can consult the FinecoBank CRO department.</i>
Cases of exclusion	The Owner identifies, in relation to the characteristics of the transaction, the possible applicability of the cases of exclusion (envisaged by law or on an optional basis).
Aggregation	The Owner checks whether the conditions for monitoring of the Aggregation are met (see Paragraph 5.4).
Article 136 Consolidated Law on Banking (TUB)	The Owner determines whether the proposed transaction also falls within the scope of application of Article 136 of the Consolidated Law on Banking, which may occur only with reference to FinecoBank transactions (as a bank).
Price sensitive	With the support of Compliance, the Owner determines whether the transaction is price-sensitive and, therefore, whether the Procedure on Privileged Information should be applied (see below).
Interest Appropriateness Fairness	The Owner identifies and evaluates the reasons for the interest in the completion of the transaction, which may differ, in relation to the characteristics of the transaction, in economic, financial, strategic, commercial, and relational terms, etc.
Regulatory Framework	The Owner provides the regulatory framework for the transaction, taking as a reference the principles of this Global Policy, presenting the related decision-making process for the transactions subject to reporting.
<i>plausibility check</i>	<p>In case of new transactions or in case of renewal of existing transactions to be submitted to the opinion of the Risks and Related Parties Committee, the transaction owner (in agreement with the FinecoBank Oversight Unit as far as the latter is concerned, within the limits and on the basis of the information collected during the preliminary phase conducted by the Owner) involves the competent Technical and Control Functions promptly so that they carry out, each for their own competence profile and depending on the type of transaction, a plausibility check of the information on the conditions and economic profitability of the transaction and of the report as a whole provided by the transaction Owner so as to allow the completion of the preliminary examination of the file for the consequent issue of the opinion by the Risks and Related Parties Committee.</p> <p>The plausibility check can also be made, if necessary, even when the opinion of the Risks and Related Parties Committee is not required in the absence of documentary evidence showing pricing to be fully in line with standard market conditions and/or the economic interest of the transaction, as well as in general in all cases in which more detailed information is required.</p> <p>The Technical and Control Functions send the results of the checks performed to the Owner and the FinecoBank Oversight Unit.</p>

REPORTING OF THE TRANSACTION	
Report	<p>The Owner reports the proposed transaction to the FinecoBank Oversight Unit after evaluation by the decision-making unit (which ensures the completeness and accuracy of the report and its timeliness), in order to:</p> <ul style="list-style-type: none"> - submit it, in relation to the specific characteristics of the transaction, to the decision-making procedure provided for by the regulations governing Transactions and, consequently, include it (where requested) in the periodic information flows to the governance bodies through the FinecoBank Oversight Unit; or - keeps evidence and then includes it in the aforementioned information flows (this is the case of 'Ordinary' Transactions of Lesser Relevance with Related Parties and Associated Persons which, being excluded, are not subject to particular decision-making requirements, but must be reported to the governance bodies).
Transmission to the FinecoBank Central Oversight Unit	<p>The Owner sends the report to the FinecoBank Oversight Unit using Annex 'A' and, for the cases provided for therein, also Addendum 'A1', by email (to PresidioFinecoBank@fineco.it):</p> <ul style="list-style-type: none"> - upon the opening of negotiations/preliminary investigations and in any case well in advance of the signing of any confidentiality agreements, in the case of Transactions of Greater Relevance; - when defining the preliminary phase, in the case of Transactions of Lesser Relevance. <p>In the event of modification of one or more fields of Annex 'A' and Addendum 'A1' already sent to the FinecoBank Oversight Unit, the Owner shall be responsible for a timely written correction in order to allow the FinecoBank Oversight Unit to fulfil its obligations.</p>

Price Sensitive Information

The CONSOB Regulation requires compliance with the disclosure obligations pursuant to Article 17 of Regulation (EU) no. 596/2014 for Transactions with CONSOB Related Parties that are also price-sensitive. This obligation applies regardless of the relevance threshold of the transaction, or of any exemption condition applied.

Therefore, in line with the Procedure on Privileged Information issued by FinecoBank, the transaction Owner must provide - to the department in charge of preparing the public press release - the following information, possibly also collected with the support of the FinecoBank Oversight Unit:

- (a) an indication that the counterparty of the transaction is a member of the Combined Perimeter;
- (b) the designation or name of the counterparty to the transaction;
- (c) whether or not the transaction exceeds the relevance thresholds and an indication of whether the information document will be published at a later date;
- (d) the procedure that has been or will be followed to approve the transaction and, in particular, if the Company has made use of a case of exclusion. In this case, the competent department carrying out the transaction must also be involved, in order to integrate information that is not available to the FinecoBank Oversight Unit;

(e) the possible approval of the transaction despite the contrary opinion of the Committee.

4.1 MANAGEMENT OF CREDIT TRANSACTIONS

The following is a description of the operational process to be followed in managing these transactions when concluded with FinecoBank and in order to start the decision-making procedures when the involvement of the Risks and Related Parties Committee of FinecoBank.

The transaction Owner shall notify the FinecoBank Oversight Unit in advance of the transactions they intend to carry out with the members of the FinecoBank Perimeter.

The Owner performs the notification by filling in the appropriate forms (specifically, **Annex 'A'** and, for the cases provided for therein, also **Addendum 'A1'**) to be sent by email to PresidioFinecoBank@fineco.it.

The FinecoBank Oversight Unit should then promptly activate the Committee of FinecoBank where, it is called upon to express an opinion on the transaction with a view to issuing a reasoned opinion.

That said, the FinecoBank Board of Directors, based on the locally defined delegation of powers, interfaces in advance (with the necessary promptness) with the FinecoBank Oversight Unit, providing it with all the information it needs to report the transaction to the FinecoBank Oversight Unit (if required).

If – on the basis of internal regulations in force at Group level - the prior involvement of the Parent Company's Risk Management is envisaged (for the purposes of pre-assessment, pre-decision-making, etc.), the competent unit of this function is also required to report (as quickly as required) the transactions to the FinecoBank Oversight Unit together with all the relevant information available.

5. DECISION-MAKING PROCEDURES

5.1 PROCEDURES FOR THE APPROVAL OF TRANSACTIONS OF GREATER RELEVANCE CARRIED OUT BY FINECOBANK AND THE SUBSIDIARIES

Transactions of Greater Relevance concluded between FinecoBank or the Subsidiaries and the members of the Combined Perimeter are approved by the Bank's Board of Directors or by the one of the Subsidiaries (except for those matters for which the Shareholders' Meeting is responsible) with the prior binding favourable opinion of FinecoBank's Risks and Related Parties Committee or of the Independent Directors 'committee of the Subsidiaries, if existing (any negative opinion of the committee interrupts the resolution process). To this end, the transaction Owner follows the procedure provided for in Section I, Chapter 3 'Governance bodies and organisational structures', Paragraph 3.2 'Transaction owners'.

The resolution for Transactions of Greater Relevance concluded by the Subsidiaries are also required to obtain the opinion of the Board of Directors of FinecoBank, acting as parent company.

5.2 PROCEDURES FOR THE APPROVAL OF NON-ORDINARY TRANSACTIONS OF LESSER RELEVANCE CARRIED OUT BY FINECOBANK AND THE SUBSIDIARIES

Non-ordinary Transactions of Lesser Relevance between FinecoBank or the Subsidiaries and the members of the Combined Perimeter are approved by the Bank's Board of Directors, or by the one of the Subsidiaries subject to the issue of the non-binding opinions of the Risks and Related Parties Committee of FinecoBank or of the Independent Directors 'committee of the Subsidiaries, if existing.

Any negative opinion issued by the said committee shall not be binding on the FinecoBank Board of Directors or the Subsidiaries' one as long as the minutes of the decision always provide adequate reasons as to the appropriateness and economic benefits of the transaction, the reasons for any deviations in terms of economic and contractual conditions and other distinguishing features of the transaction compared to standard or market conditions and the reasons that led to the resolution to carry out the transaction despite the negative opinion of the said committee. Suitable evidence for this must be provided in the documents accompanying the decision taken.

The FinecoBank Oversight Unit informs the FinecoBank department proposing the transaction of the outcome of the resolution passed by the Board of Directors.

The Board of Statutory Auditors of FinecoBank receives information from the FinecoBank Oversight Unit on Transactions approved by the Board of Directors of FinecoBank despite negative opinion or subject to remark issued by the FinecoBank Committees. Similarly, the Board of Statutory Auditors and Board of Directors of the Parent Company receive information about the same type of transactions carried out by the Subsidiaries.

Procedures for approving internal ceilings/limits

The decision-making procedures described in the previous paragraphs also apply to the approval of the internal limits set, each time these transactions are submitted to the approval of the competent credit institution for first authorisation or for renewal/revision.

Similar procedures are to be observed when renewing/revising internal ceilings/limits partially/totally used for credit transactions for which the Bank has already undertaken contractual commitments with defined terms and conditions.

In these cases, the Risks and Related Parties Committee, noting, as appropriate, that *(i)* market/standard conditions were applied to credit transactions at the time of their disbursement/decision, or *(ii)* these conditions,

due to new circumstances, no longer conform to market/standard conditions, expresses an opinion on the overall interest and appropriateness of the internal ceilings/limits determined, evaluating their actual profitability and of the relationship with the related party as a whole. In addition, in the case of *sub*-section (ii), where the legal-contractual and/or business relationship conditions are fulfilled, it shall issue a recommendation to take steps with the counterparty to restore market/standard economic conditions to the credit transactions.

For the granting and/or renewal/revision of internal ceilings/limits relating to institutional counterparties, see '*Process 9798 FIBS counterparty credit risk management*' by FinecoBank.

5.3 TRANSACTIONS THAT FALL WITHIN THE AREA OF APPLICATION OF ARTICLE 136 OF THE CONSOLIDATED LAW ON BANKING

Transactions carried out by FinecoBank with its Corporate Officers or persons related to them (who are therefore also members of the Combined Perimeter) are evaluated and approved in accordance with Article 136 of the Consolidated Law on Banking (thus assimilating the procedures set out in the CONSOB Regulation and the Bank of Italy Circular).

Therefore, the above transactions:

- are subject to the resolution procedure referred to in the above law, i.e., to the approval of the Board of Directors by the unanimous vote of those present entitled to vote and with the vote of all members of the Board of Statutory Auditors. If the Statutory Auditors are absent, their favourable opinion is obtained separately;
- they shall not be subject to the prior opinion of the Committee, it being sufficient that:
 - the minutes from the meeting where the transaction was approved give the reasons for the Company's interest in carrying out the transaction as well as the appropriateness and substantial fairness of the related conditions;
 - the Committee is provided, through the FinecoBank Oversight Unit and in advance of the resolution by the competent Bodies, with a prompt and complete flow of information on the transaction in accordance with the procedures envisaged, as appropriate, for Transactions of Greater Relevance and of Lesser Relevance, without prejudice to the provisions of Article 5 of the CONSOB Regulation on the subject of disclosure obligations to the market.

5.4 MANAGEMENT AND MONITORING OF THE AGGREGATION FOR THE PURPOSE OF THE CONSOB INFORMATION DOCUMENT.

The FinecoBank Oversight Unit monitors Transactions of Lesser Relevance carried out by FinecoBank or the Subsidiaries that are not included in the above cases, in order to calculate the aggregation for the purpose of the CONSOB Information Document.

This mechanism provides for the FinecoBank Oversight Unit, with the support of the competent departments (transaction Owner), to check whether the transactions are uniform or carried out in execution of a single plan, concluded with a same member of the Combined Perimeter and, therefore, should be considered cumulatively. If, during the year, the aggregated amount exceeds the greater relevance thresholds, FinecoBank (or the different subsidiaries interested, if the case may be) is required to comply with the disclosure and transparency obligations for Transactions of Greater Relevance, provided by the CONSOB Regulation.

Transactions are monitored annually according to the aggregation mechanism starting from the beginning of the financial year, or from the publication of the information document following the exceeding of the aforementioned relevance thresholds as a result of the Aggregation.

With regard to this second time horizon, it follows that Transactions of Lesser Relevance already subject to public disclosure as a result of the aggregation mechanism should no longer be considered when checking whether the size limits have again been exceeded on an aggregate basis.

In order to carry out monitoring activities, the FinecoBank Oversight Unit makes use of a specific file excel in which transactions with the members of the Combined Perimeter are recorded and through which transactions concluded by a member of the Combined Perimeter may be aggregated in order to check the approaching/exceeding of the greater relevance threshold.

In carrying out its monitoring activities, the FinecoBank Oversight Unit relies on the support and specific reporting provided by the CRO.

In the case of transactions that cause the threshold to be exceeded, where the set of transactions analysed by the FinecoBank Oversight Unit (which involve the competent technical departments as necessary)- shows the use of a single plan, the latter shall take steps to ensure compliance with Greater Relevance transactions' disclosure time limits.

5.5 CONTROLS ON THE PROCESS OF MANAGING TRANSACTIONS WITH THE MEMBERS OF THE COMBINED PERIMETER

Specific monitoring and control activities are assigned to all levels of the FinecoBank units, each for its own area of expertise.

Each transaction Owner is responsible for providing complete information and certifying the conditions applied to the transaction itself, involving (in agreement with the FinecoBank Oversight Unit within its area of expertise, within the limits and on the basis of the information gathered during the preliminary phase conducted by the Owner) the Technical and Control Functions for the plausibility check activity, in accordance with the terms and conditions established by this Global Policy.

The FinecoBank units implement their operating rules in relation to the activity carried out in order to take into account, in their own business management, of the impacts that the proposed transactions may have on the management of the transactions in order to comply with this Global Policy.

In order to verify the existence and continuing reliability of procedures and systems suitable for ensuring compliance with all regulatory obligations and those set out in internal regulations, limited to the process of managing transactions with the members of the Combined Perimeter, the Bank's Compliance Function identifies control objectives and defines and carries out second level controls, identifying those that must be defined and carried out at a local level.

In addition, the Compliance Function of FinecoBank verifies over time, the adequacy of the controls, monitoring their implementation, analysing the results and preparing summary reports. Finally, it periodically monitors the implementation of mitigation actions.

The Internal Audit Function assesses the overall adequacy of the control system for the management of Transactions with the members of the Combined Perimeter.

In the same way, each Subsidiarity assigns specific monitoring and control activities to all levels of its structures, as far as their respective responsibilities are concerned.

6. INTERNAL INFORMATION FLOWS ON TRANSACTIONS WITH MEMBERS OF THE COMBINED PERIMETER

The following table details the information flows from and to FinecoBank's corporate bodies/functions:

- FinecoBank Oversight Unit;
- Board of Directors and Board of Statutory Auditors;
- Risks and Related Parties Committee;
- Compliance Function;
- Chief Financial Officer.

6.1 FinecoBank Oversight Unit

The individual transaction Owners send to the FinecoBank Oversight Unit:

- event related reporting, through Annex 'A' and, for the cases provided for therein, also through Addendum 'A1', of the Transactions of Greater Relevance and of Lesser Relevance (individual or consisting of framework resolutions) provided they are not Smaller Transactions with the members of the Combined Perimeter;
- on a monthly basis, at the request of the FinecoBank Oversight Unit, a list of transactions carried out during the month in question with the members of the Combined Perimeter;
- on a quarterly basis, where applicable, a report to the FinecoBank Oversight Unit and to the Board of Directors concerned:
 - (i) the state of implementation of the Framework Resolutions for which it is responsible;
 - (ii) transactions concluded during the period with CONSOB Related Parties 'that have had a significant impact' on the balance sheet or results of FinecoBank;
 - (iii) changes or developments in transactions with the members of the Combined Perimeter described in the last Annual Report that had a 'relevant effect' on the balance sheet or on the results of FinecoBank in the period under review.
- The Local Referent is in charge to send to the FinecoBank Oversight Unit the information and reports referred to the transactions carried out by the Subsidiaries.

6.2 Board of Directors and Board of Statutory Auditors of FinecoBank

The FinecoBank Oversight Unit prepares and transmits a complete quarterly report to the Board of Directors and the Board of Statutory Auditors of FinecoBank on transactions with members of the Combined Perimeter carried out during the period in question for which the Risks and Related Parties Committee has issued a prior and reasoned opinion (including the transactions of the Subsidiaries).

This information is supplemented by the indication of the:

- Transactions of Greater Relevance proposed for which the Committee has expressed a negative opinion or remarks and for which, therefore, the resolution process has been interrupted (binding effect of the negative opinion of the Committee);
- transactions, other than Smaller Transactions, for which the optional exemptions provided by the Global Policy have been applied. This report therefore refers to Ordinary Transactions (over EUR 250,000.00);

- transactions that have not been submitted to the opinion of the Risks and Related Parties Committee, even though they meet such requirement, as they fall within the scope of application of Article 136 of the Consolidated Law on Banking and, as such, are subject to the resolution procedure provided for by the aforementioned article.

The transaction Owner (also the Subsidiaries 'one) prepares and sends to the Board of Directors, every quarter, the specific report (also transmitted to the FinecoBank Oversight Unit), already described in Paragraph 6.1 above.

6.3 Risks and Related Parties Committee

The FinecoBank Oversight Unit prepares and submits a quarterly report to the Risks and Related Parties Committee on transactions relating to the period in question on the basis of the information provided by the transaction Owners.

In detail, all the transactions mentioned in Paragraph 6.2 above are the subject of the report in question.

The Risks and Related Parties Committee receives, for their information, the information flows addressed to the Board of Directors and the Board of Statutory Auditors.

6.4 Compliance Function

The FinecoBank Oversight Unit sends: (i) promptly the information flows referred to in the previous paragraphs to the FinecoBank Compliance Function to help it carry out its activities; and (ii) on a monthly basis the sheets sent by the individual Owner of the transactions and drafted in accordance with the form in "Annex A" of this Global Policy.

6.5 Information flows to and from the Chief Financial Officer

Upon a specific request, the FinecoBank Oversight Unit shall forward to the competent Function of the Chief Financial Officer the information for which it is responsible, as well as the information received from the individual transaction Owners used for the preparation of the Interim Report on Operations and the Annual Report, with reference to:

- (a) individual Transactions of Greater Relevance concluded/Framework resolutions adopted with the members of the Combined Perimeter in the quarter in question;
- (b) other individual Transactions with CONSOB Related Parties that have had a significant impact' on FinecoBank's balance sheet or results;
- (c) changes or developments in Transactions with the members of the Combined Perimeter described in the last Annual Report that had a 'material effect' on the balance sheet or on the results of FinecoBank in the period under review.

The Chief Financial Officer, in turn, is required to promptly provide the FinecoBank Oversight Unit with information on the amount of Own Funds, recalculated on a quarterly basis in compliance with the regulations governing supervisory obligations.

PROVISIONS ON DISCLOSURE OF TRANSACTIONS WITH RELATED PARTIES CONSOB AND WITH ASSOCIATED PERSONS BANK OF ITALY

7. INFORMATION OBLIGATIONS ON TRANSACTIONS WITH RELATED PARTIES PURSUANT TO THE CONSOB REGULATION

The disclosure and transparency obligations required by the CONSOB Regulation for Transactions with CONSOB Related Parties (and relative updates in the event of changes in the information disclosed) that must be followed when transactions with FinecoBank's 'CONSOB Related Parties' and with “Persons included in the Combined Perimeter on a discretionary basis” with the exception of persons identified as 'risk connections', differ depending on the specific circumstances, without prejudice, however, to the disclosure obligations to the market provided for by Article 6 of the CONSOB Regulation (which in turn refers to the disclosure obligations pursuant to Article 17 of EU Regulation no. 596/2014), if the conditions are met.

7.1 IDENTIFICATION OF TRANSACTIONS OF GREATER RELEVANCE

Following the approval of a Transaction of Greater Relevance, the transaction Owner and the FinecoBank Oversight Unit, as appropriate, take steps to provide the Investor Relator with information for the latter to prepare, pursuant to Article 114, paragraph 5 of the Consolidated Law on Finance, the information document in compliance with the provisions of the CONSOB Regulation.

Pursuant to Article 5, paragraph 6, of the CONSOB Regulation, if, in relation to a Transaction of Greater Relevance, the Company is also required to prepare an information document pursuant to Article 70, paragraphs 4 and 5⁽⁹⁾, and Article 71 of the Issuers' Regulations, a single document containing the information referred to in Article 5, paragraph 1, of the CONSOB Regulation and the same Articles 70 and 71 of the Issuers' Regulations may be published as quickly as allowed by the applicable provisions.

In order to prepare the above information document, the Investor Relator requires the support of the FinecoBank unit proposing the transaction, with the involvement of any other functions concerned.

The Investor Relator shall ensure that once the information document has been prepared, it is made available to the public at FinecoBank's registered office and in the manner required by applicable laws and regulations. In any case this should be within seven days of approval of the transaction by the Board of Directors of the Company or, if the competent body decides to submit a contractual proposal, from the time the contract, including a preliminary one, is concluded on the basis of the applicable regulations (the document is made available within seven days of approval of the proposal to be submitted to the Shareholders' Meeting in the case of transactions for which the Shareholders' Meeting is responsible).

The Investor Relator shall make the opinion of the Committee and any opinions of independent experts available to the public, as an annex to the document or on the FinecoBank website, within the same time frame provided for the publication of the information document.

The above information document and opinions are also sent by the transaction Owner to CONSOB at the same time as they are disclosed to the public.

In the event that the aggregation of multiple Transactions of Lesser Relevance leads to the exceeding of the relevance threshold, the information document is made available to the public within 15 days of the approval of the transaction or of the conclusion of the contract that determines the exceeding.

⁽⁹⁾ In this regard, it should be noted that paragraph 5 of Article 70 of the Issuers' Regulations, although still referred to in the CONSOB Regulation (on the subject of related parties), was repealed by resolution no. 18523 of 10 April 2013.

If transactions that lead to the exceeding of the relevance threshold are carried out by Subsidiaries, the information document is made available to the public within 15 days of the date on which the company required to prepare the document (*i.e.* FinecoBank) was informed of the approval of the transaction or of the conclusion of the contract that determines the relevance.

Finally, the Investor Relator sends to the Financial Reporting Officer of FinecoBank (*i.e.* the Chief Financial Officer), at their specific request, all useful information in their possession, so that the latter may provide appropriate information in the Interim Report on Operations and in the Annual Report, on the individual Transactions of Greater Relevance in the reference period, as described in Chapter 6 above.

7.2 REPORT ON TRANSACTIONS OF LESSER RELEVANCE

Pursuant to Article 154 *-ter* of the Consolidated Law on Finance (TUF), the FinecoBank Oversight Unit FinecoBank sends to the Chief Financial Officer, when requested, all useful information received from the transaction Owners, so that the latter can provide appropriate information in the interim report on operations and in the annual report on operations, on the individual Related Party Transactions concluded in the reference period, 'that have had a significant impact' on the company's balance sheet or results.

The obligation to inform the public on the subject of privileged information as provided for by Article 6 of the CONSOB Regulation remains unaffected.

7.3 REPORT ON ORDINARY TRANSACTIONS OF GREATER RELEVANCE CONCLUDED AT MARKET OR STANDARD CONDITIONS

Even if the resolution process of ordinary Transactions of Greater Relevance concluded at market or standard conditions is the same as that provided for Transactions of Greater Relevance tout court, the CONSOB Regulation (Article 13, paragraph 3, letter c)) simplifies disclosure obligations.

In particular, as an exception to the transparency requirements set out in Article 5, paragraphs 1 to 7 of the CONSOB Regulation (concerning the drafting and publication of the information document), without prejudice to the provisions of Article 17 of (EU) Regulation no.596/2014, for ordinary Transactions of Greater Relevance, concluded at market or standard conditions (also falling within the scope of a framework resolution), the following disclosures must be made, in addition to the information to be provided pursuant to Article 154 *-ter* of the Consolidated Law on Finance:

- a notification to CONSOB, by the transaction Owner, within seven days of its conclusion or from the communication of the same by the Subsidiary carrying it out, detailing the counterparty, the subject and the value of the transaction;
- a disclosure in the Interim Report on Operations and in the Annual Report on the transactions concluded, using the aforementioned simplification;
- a disclosure in the Annual Report, detailing the counterparty, the subject and the value of the transactions concluded, making use of this simplification.

7.4 REPORT ON ORDINARY TRANSACTIONS OF LESSER RELEVANCE CONCLUDED AT MARKET OR STANDARD CONDITIONS

In the event of approval of an ordinary Transaction of Lesser Relevance, concluded at market or standard conditions, the FinecoBank Oversight Unit transmits to the Chief Financial Officer, upon the latter's specific

request, pursuant to article 154 *-ter* of the Consolidated Law on Finance, all useful information received from the transaction Owner, so that they may provide appropriate information in the Interim Report on Operations and in the Annual Report, on the individual Transactions with CONSOB Related Parties concluded in the reference period.

8. EXTERNAL REPORTING AND SUPERVISORY REPORTING ON ASSOCIATED PERSONS

The Bank of Italy Provisions require that the Bank of Italy be periodically notified of both the Risk Activities by Associated Persons and the transactions carried out by the latter with the frequency and level of detail described in the relative prudential reporting regulations. Reporting is carried out individually by the individual Italian banks and consolidated by the Parent Bank.

The supervision of Risk Activities with respect to Associated Persons covers all cash exposures (for example, loans, shares, bonds, subordinated loans) and off-balance sheet exposures (for example, guarantees given) attributable to the Associated Person, both in cases where the Associated Person is the sole holder of the relationship, and in cases where the Associated Person is a joint holder with other parties, regardless of whether any of the co-owners are Associated Persons.

At an individual level, in addition to quarterly reporting of Risk Activities, there are also reports relating to Transactions with Associated Persons, as well as transactions of greater relevance (in accordance with the Bank of Italy Provisions). Smaller Transactions are not included in the information flow.

Supervisory reports are sent to the Bank of Italy by the Bank's Supervisory function team in compliance with the supervisory regulations by the 42nd day following the quarterly reference date (i.e. by the end of the 42nd day following 31 March, 30 June, 30 September and 31 December of each year).

9. FINANCIAL REPORTING

The information in the financial reporting regarding related parties (Part H of the notes to the financial statements) must contain the information required by IAS 24 and Bank of Italy Circular no. 262 of 22 December 2005, or information on the remuneration of executives with strategic responsibilities and, where relevant, information on transactions with related parties.

IAS 24 defines 'Related party transactions': *'a transfer of resources, services or obligations between related parties whether or not a remuneration has been agreed'*.

10. LIMITS ON RISK ACTIVITIES AND SUPERVISORY REPORTING TO ASSOCIATED PERSONS PURSUANT TO BANK OF ITALY PROVISIONS

10.1 LIMITS TO RISK ACTIVITIES WITH ASSOCIATED PERSONS BANK OF ITALY

The Bank of Italy Provisions sets limits to Risk Activities (the Provisions define *'risk activities' as net exposures as defined for the purposes of risk concentration regulations*), differentiating them according to the different types of Related Parties Bank of Italy, in proportion to the intensity of the relationships and the importance of the consequent risks for sound and prudent management.

In consideration of the greater risks inherent in conflicts of interest in bank/industry relations, more stringent limits are set for Risk Activities with Related Parties Bank of Italy classified as non-financial companies.

Risk Activities connected with transactions between companies belonging to the Group are excluded from the above limits.

In particular, the prudential limits referring to Own Funds applicable both at a consolidated and at an individual level are:

	CORPORATE OFFICERS	CONTROLLING SHAREHOLDERS OR CAPABLE OF EXERCISING SIGNIFICANT INFLUENCE	OTHER SHAREHOLDERS AND PERSONS OTHER THAN SHAREHOLDERS	PERSONS SUBJECTED TO CONTROL OR SIGNIFICANT INFLUENCE
CONSOLIDATED LIMITS	5%	Non-financial Related Parties Bank of Italy and their Connected Persons Bank of Italy		
		5%	7.5%	15%
		Other Related Parties Bank of Italy and their Connected Persons Bank of Italy		
		7.5%	10%	20%
INDIVIDUAL LIMIT	20% (only for Italian banks)			

Within the consolidated limits, an Italian bank belonging to the Group may take on Risk Activities for the same group of Associated Persons Bank of Italy - regardless of the financial or non-financial nature of the Related Party Bank of Italy - up to the aforesaid limit of 20 percent of its Own Funds.

For the calculation of the individual limit, the individual banks belonging to a banking Group consider their Risk Activities with respect to all Associated Persons identified at Group level.

Exceeding the limits

Risk Activities with Connected Persons are ongoingly monitored in order to ensure compliance with the prudential limits on Risk Activities with Associated Persons.

If one or more limits are exceeded due to causes beyond FinecoBank's control, the Risk Activities are brought back within the limits as soon as possible.

In this regard, FinecoBank prepares – within 10 days from when the limit has been exceeded – a recovery plan approved by the Board of Directors, after consulting the Board of Statutory Auditors.

Within 30 days of the aforementioned transmission deadline, FinecoBank as Parent Company shall evaluate the plan and submit it to its Board of Directors, which shall approve it after consulting the Board of Statutory Auditors.

Among other things, the regulations require the Parent Company to prepare a repayment plan within 45 days of the limit being exceeded, approved by the body responsible for strategic supervision on the proposal of the management body, after consulting the oversight body.

The repayment plan approved by the Parent Bank is sent to the Bank of Italy within 20 days of the date of approval, along with the minutes of the resolutions of the corporate bodies.

If the exceeding of the limits concerns a Related Party by virtue of the equity investment held in the bank or in a Group company, the administrative rights connected with the equity investment are suspended.

The Parent Company FinecoBank assesses the risks associated with activities with Associated Persons (of a legal, reputational or conflict of interest nature), where relevant to the company's activities, as part of the internal capital adequacy assessment process (ICAAP); in particular, in cases where the prudential limits are exceeded for the above reasons, in addition to the initiatives provided for in the repayment plan, account is taken of the surpluses in the process of determining the total internal capital.

10.2 SUPERVISORY REPORTING ON RISK ACTIVITIES WITH ASSOCIATED PERSONS

Risk Activities with Associated Persons are reported to the Bank of Italy with the frequency and level of detail required by the relative prudential reporting regulations.

Reporting is carried out at a consolidated level by the Parent Bank FinecoBank and at an individual level by the individual Italian banks belonging to the Group (if exiting), in compliance with the regulatory provisions in force.

11. INTERNAL POLICIES ON THE CONTROL OF RISK ACTIVITIES AND CONFLICTS OF INTEREST WITH REGARD TO ASSOCIATED PERSONS

According to the Bank of Italy Provisions, the organisational structures and the internal control system must ensure constant compliance with the prudential limits and decision-making procedures established by the Global Policy and must also pursue the objective, consistent with sound and prudent management, of preventing and correctly managing the potential conflicts of interest inherent in any relationship with Associated Persons.

In this context, the Bank of Italy Provisions recognise the independence of intermediaries in identifying the concrete solutions to be adopted and requests the Parent Bank (in the case of Banking Groups) to adopt, in line with expressly established procedures, internal policies on the control of Risk Activities and conflicts of interest in relation to Associated Persons, which, in particular, must:

- (a) identify, in relation to the operating characteristics and strategies of the Bank and the Group, the sectors of activity and types of economic relations, including those involving the assumption of Risk Activities, in relation to which conflicts of interest may arise;
- (b) set risk propensity levels that are consistent with the strategic profile and organisational characteristics of the bank or the Banking Group;
- (c) establish and regulate organisational processes whose purpose is to fully identify and record the Associated Persons and identify and quantify the related transactions at each stage of the relationship;
- (d) establish and regulate control processes whose purpose is to ensure the proper measurement and management of the risks assumed with Associated Persons and to verify the correct design and effective application of internal policies.

By a specific resolution of the Board of Directors, FinecoBank adopts the '*Global Policy on the Risk activities and conflicts of interest with associated persons – Internal policies on control*'

SECTION III

**OBLIGATIONS OF BANK OFFICERS PURSUANT TO ARTICLE 136 OF THE CONSOLIDATED LAW ON
BANKING**

FOREWORD

The provisions on the Obligations of Bank Officers pursuant to Article 136 of the Consolidated Law on Banking and to Circular no. 229 of 21 April 1999 containing Supervisory Instructions for Banks (Title II, Chapter 3) apply to relations between **Italian banks and their Bank Officers**.

Article 136(1) of the Consolidated Law on Banking (TUB) prohibits persons performing administrative, management and control functions at a bank from taking on obligations of any kind or carrying out acts of sale, directly or indirectly, with the bank that they administer, direct or control, unless approved unanimously by the Board of Directors and with the favourable vote of all members of the Board of Statutory Auditors, without prejudice to the obligations set out in the Italian Civil Code regarding the interests of Directors and Transactions with Related Parties and Associated Persons (as referred to in the previous chapters).

Failure to comply with the above provisions shall be punished by a one to three-year prison sentence and a fine ranging from EUR 206.00 to EUR 2,066.00.

Article 136 of the Consolidated Law on Banking does not exclude compliance with the most far-reaching regulations on conflicts of interest in the field of company law, both in Italy and abroad, as well as compliance with the regulations on CONSOB Related Parties and Associated Persons Bank of Italy issued.

1. BANK OFFICERS' PERIMETER EX ART. 136 TUB

The perimeter of the relevant persons for the purposes of the application of Article 136 comprises – at the time of the approval of this Global Policy - the Bank Officers of FinecoBank as well as of persons potentially associated with them, i.e.:

- natural persons (e.g. the spouse or other family member of the Bank Officer) and/or legal persons who can be considered as nominees due to economic connection, which cause an indirect obligation to be incurred by the Bank Officer;
- the persons linked to one or more Corporate Officers by such a relevant relationship that the Bank Officers have to personally and unlimitedly meet their obligations (*e.g.: an ordinary or an unlimited partnership where the corporate officer is a partner; an informal partnership or a partnership limited by shares where the Corporate Officer is an unlimited partner; a limited liability company where the corporate officer is the sole shareholder*);
- the companies directly or indirectly controlled by the Bank Officers pursuant to Article 23 of the Consolidated Law on Banking (TUB);

(hereinafter, collectively, the '**Bank Officers' Perimeter ex art. 136 TUB**').

FinecoBank will consult those Bank Officers affected by the regulations by sending a notification in order asking for information from them about the related persons. If present at the appointment meeting, for the position assumed and pending the production of the necessary documentation, the Bank Officer will be asked to report, with regard to the profiles referred to in Article 136 of the Consolidated Law on Banking, the existence of any circumstances that potentially come under the heading of 'indirect obligation', checking, in the meantime, the existence of any transactions attributable to the legislation in question entered into with the Bank.

The information gathered by the Bank Officers, even if negative, and any subsequent updates, which it will be their duty to communicate, will be presented to the Board of Directors of the bank they belong to for the necessary evaluations. A similar procedure shall be followed for the renewal of the Management Bodies and for the replacement of their Bank Officers.

Since this is a matter subject to criminal sanctions, the actual evaluation of whether individual cases fall within the scope of the legislation in question can only be made by the prudent assessment, in addition to the individual subject to the legislation, of the Board of Directors of the bank concerned.

2. COLLECTION AND MONITORING OF THE COMMUNICATIONS OF BANK OFFICERS

The timely collection of information regarding Bank Officers is a key moment for the management of the Obligations of the aforementioned persons. In this context, speed in acquiring the information, as well as its completeness and accuracy, also for the purposes of prompt recording according to the technical methods available from time to time, are important.

The survey of Bank Officers, including the above-mentioned recording, and the request for information about traceability, must take place at the time of appointment immediately subsequently and, similarly, in the event of renewal of the management bodies or in the event of replacement of the Officer.

The survey of FinecoBank's Officers and the collection of related information on cases are carried out by the Corporate Law & Board Secretary's Office.

The FinecoBank Oversight Unit promptly collects (with the help of special forms) and records according to the technical methods available from time to time (within two working days of receipt of the notification) the relevant information (on which a consistency check and a completeness check must be carried out beforehand, also requesting any further information and confirmations).

3. ACTS AND RELATED EVENTS GIVING RISE TO THE APPLICATION OF ARTICLE 136 OF THE CONSOLIDATED LAW ON BANKING

The acts and related events giving rise to the application of Article 136 of the Consolidated Law on Banking are as follows:

- (a) acts of sale;
- (b) obligations of any financial or non-financial nature, including professional appointments allocated on a systematic or occasional basis to Bank Officers or to associated firms to which they belong. In particular, the Bank of Italy advises against the granting of systematic and exclusive professional appointments as such practice could affect the compatibility of the interests of the person with those of the company;
- (c) the transactions involving the purchase and sale of foreign currency and securities that do not comply with the conditions set out in the following point;
- (d) "cash" exchange transactions for bank cheques.

4. ACTS NOT ATTRIBUTABLE TO THE STATUTORY PROVISIONS

The acts and related events that do not give rise to the application of Article 136 of the Consolidated Law on Banking are as follows:

- (a) services that do not imply any issue of credit, including the opening of deposits, also in the form of bank accounts with standard conditions granted to customers or employees; as they derive from contractual relationships in which the subjective quality of the counterparty is irrelevant and there is no chance of conflict of interest, even in the abstract;

- (b) obligations related to the purchase and sale of currency or securities, including Government bonds or bonds granted by the State, listed on the electronic marketplace) when all the following conditions are in place:
- listed on the regulated market;
 - application of standard conditions for customers;
 - price advance in case of purchase;
 - prior delivery of securities in the event of sale;
- (c) the granting of credit by corporate officers as employees, within the limits and conditions provided for in general terms for such employees.

5. OBLIGATIONS CONTRACTED INDIRECTLY THROUGH THE INTERPOSITION OF NATURAL OR LEGAL PERSONS

There is an 'indirect obligation' when a Bank Officer undertakes an obligation through a different person (individuals/ legal persons). In these situations, the Board of Directors, which must be informed by the Bank Officer of their specific position, considers if the proposed operation is or is not an indirect obligation, undertaken by the Bank Officer.

The assessment is carried out with the abstention of the Officer deemed to be involved.

In the cases of obligations undertaken by Companies, this rule can be deemed enforceable when the Bank Officer:

- has a control position within the company pursuant to Article 23 of the Consolidated Law on Banking (TUB);
- is a shareholder in a simple company or in a general partnership;
- is a general partner of a limited partnership or a public limited company;
- is the sole shareholder of a limited liability company.

6. DECISION-MAKING PROCEDURE FOR FINALISING THE OBLIGATION

Without prejudice to the provisions of the Italian Civil Code in respect of Directors' interests and transactions with related parties, the following is an explanation of the operating procedure that must be adopted by the FinecoBank departments for the assumption of obligations by its Officers or persons related to them (interposed persons and subsidiaries), it being understood that - with regard to matters subject to criminal sanctions - any actual assessment of the individual cases can only be left to the persons concerned and, ultimately, to the Court.

All obligations that the Bank Officers of FinecoBank perform, directly or indirectly, with FinecoBank fall within the scope of Article 136 of the Consolidated Law on Banking: therefore, such obligations can only be entered into after a resolution has been passed unanimously by the Board of Directors of FinecoBank, and with the favourable vote of all members of the Board of Statutory Auditors (Permanent Statutory Auditors). In the case of Statutory Auditors absent from the board meeting, their favourable vote on the transaction will be gathered separately.

To this end, each Bank department responsible depending on the content of the obligation is required to submit a proposal for approval by the Board of Directors, after identifying the Bank Officer and the person responsible for the application of the procedure.

7. PROCEDURE FOR THE FINALISATION OF THE OBLIGATION IF THE BANK OFFICER IS ALSO A RELATED PARTY AND/OR AN ASSOCIATED PERSON

If the transaction is carried out with CONSOB Related Parties and Associated Persons Bank of Italy (when these are Bank Officers or persons related to them) only of the Italian Banks where they perform the function of administration, management and control, the same also falls within the scope of application of Article 136 of the Consolidated Law on Banking and, therefore, pursuant to this Global Policy, this transaction:

- (a) it is subject to the resolution process established by the aforesaid article of the Consolidated Law on Banking (i.e. approval by the Board of Directors by unanimous vote of those entitled to vote and favourable vote of the members of the Board of Statutory Auditors);
- (b) it is not subject to the prior and reasoned opinion of the Committee, it being sufficient that:
 - the minutes from the meeting where the transaction was approved indicate the reasons for the Company's interest in carrying out the transaction as well as the appropriateness and substantial fairness of the related conditions;
 - the Committee is in any case assured of a timely and complete flow of information regarding the transaction prior to the date on which the transaction is submitted for approval to the Board of Directors of the Bank;
- (c) Related Party Transactions and Associated Persons of Italian banks that are relevant pursuant to Article 136 of the Consolidated Law on Banking must be monitored in order to calculate the aggregation.

ANNEX 'A'

**Form for reporting to the FinecoBank Oversight Unit and the Local Referent
the transactions with members of the Combined Perimeter and the Bank Officers' Perimeter ex art.
136 TUB**

Form for reporting to the FinecoBank Oversight Unit and the Local Referent the Transactions with members of the Combined Perimeter

Please refer to the 'Notes' at the end of this document for clarification on the contents to be indicated in the fields of this form.

CHARACTERISTICS OF THE TRANSACTION			
Company	FINECOBANK S.P.A.		
Organisational Unit ⁽¹⁾			
Manager who validates the report ⁽²⁾			
Date of sending of the report ⁽³⁾			
Expected date of resolution of the transaction by the authorised function/body ⁽⁴⁾			
Member of the Combined Perimeter ⁽⁵⁾	<i>Name and Surname - Company name</i>		
	<i>Tax code (Italy) / VAT number</i>		
Member of the Bank Officers' Perimeter pursuant to Article 136 of the Consolidated Law on Banking ⁽⁶⁾	YES	NO	
Price sensitive	YES	NO	
Transaction type ⁽⁷⁾			
Details on transaction type. In the case of a credit transaction, indicate whether the credit limits are 'specific' domestic credit limits	YES	NO	
Description of the transaction ⁽⁸⁾			
Body authorised to approve the transaction based on the system of proxies in force			
Amount of the transaction ⁽⁹⁾ <i>(Analytical information on the amount of the transaction, if any)</i>			
Total Assets of the entity involved in the transaction ⁽¹⁰⁾			
Total Liabilities of the entity involved in the transaction ⁽¹¹⁾			
Nature of the transaction ⁽¹²⁾	ORDINARY	NON-ORDINARY	
	<i>[details to be given on the basis on which the assessment was made]</i>	<i>[details to be given on the basis on which the assessment was made]</i>	

Conditions governing the transaction⁽¹³⁾	MARKET / <i>STANDARD</i>	OTHER THAN MARKET/ <i>STANDARD</i>
Conditions references⁽¹⁴⁾		
Interest, value for money and fairness of conditions⁽¹⁵⁾		
Relevance of the transaction⁽¹⁶⁾	<input type="checkbox"/> Greater relevance <input type="checkbox"/> Non-ordinary of Lesser Relevance <input type="checkbox"/> Ordinary of Lesser Relevance (not smaller) <input type="checkbox"/> Subject to Article 136 of the Consolidated Law on Banking	
	<input type="checkbox"/>	
Other information		
Outcome of the Plausibility Check		

NOTES:

(1)	Indicate the organisational unit (Owner of the transaction') responsible for reporting to the FinecoBank Oversight Unit (e.g.: Department XY - Head of Area ZZ).
(2)	Indicate the head of the department that validated the report.
(3)	Indicate the date on which the form is filled in and sent to the FinecoBank Oversight Unit
(4)	Indicate the date of execution of the transaction.
(5)	<p>Indicate the identification data of the member of the Combined Perimeter that is the counterparty to the transaction, a natural person/legal person (*) and type (example: Member of the Board of Directors - Subsidiary - Associated company - Pension fund).</p> <p>(*) <i>Details of natural person: Name and Surname - Tax code (Italy) / VAT number</i></p> <p>(*) <i>Details of legal person: Company name - Tax code (Italy) / VAT number</i></p>
(6)	Indicate whether the counterparty of the transaction is also a member of the Bank Officers' Perimeter ex art.136 TUB, with the transaction - as a consequence - subject to the resolution procedure provided for by Article 136 of the Consolidated Law on Banking, with the exception of cases of exclusion (Acts not attributable to the regulatory provision).

(7)	Indicate the type of transaction, also by macroclass (see Section II, Paragraph 2.3: a continuing relationship, i.e., a transaction involving the acquisition/disposal of equity investments/assets or a transaction to which only the equivalent value ratio is applied) and, if necessary, the sub-type and, in any case, any evidence useful for the correct regulatory/technical framing of the transaction (e.g., financing in the form of a mortgage loan - renewal with increase in credit lines - consultancy contract - foreign exchange transaction/currency purchase).
(8)	Provide a brief but precise description of the transaction, its subject matter and nature.
(9)	<p>To be indicated for all types of transactions, if the economic conditions of the transaction are determined. The equivalent value of the transaction is:</p> <ul style="list-style-type: none"> (i) for cash components, the amount paid/to be paid to/by the contractual counterparty; (ii) for the components consisting of financial instruments, the fair value determined, at the date of the transaction, in compliance with the international accounting standards adopted with EC Regulation no. 1606/2002; (iii) for funding transactions or the granting of guarantees, the maximum amount payable. <p>If the economic conditions of the transaction depend, in whole or in part, on amounts not yet known, the value of the transaction is the maximum amount receivable or payable pursuant to the agreement.</p>
(10)	Only transactions involving the acquisition and sale of equity investments and other assets should be calculated, in order to allow the FinecoBank Oversight Unit to calculate the various Relevance Ratios.
(11)	This is only to be calculated for the acquisition of companies and/or business divisions in order to allow the FinecoBank Oversight Unit to calculate the different Relevance Ratios.
(12)	<p>Indicate whether or not the transaction falls within the area of ordinary operating activities (or related financial activities) of the Group 'Company' carrying out the transaction. The assessment of this condition must be based, among other things, on the following elements that must be related to the Company carrying out the transaction, <u>of which evidence must be provided in the form</u> (see Section II, Paragraph 2.2.1):</p> <ul style="list-style-type: none"> - object of the transaction; - recurrence of the type of transaction within the activity of the bank/company; - size of the transaction; - contractual terms and conditions, also with regard to the characteristics of the remuneration; - counterparty.
(13)	<p>Indicate whether the conditions applied are market or standard (or equivalent).</p> <p>It should be noted that market/standard conditions occur, <i>inter alia</i>, when:</p> <ul style="list-style-type: none"> - carried out with counterparties that are not members of the Combined Perimeter with reference to transactions with similar characteristics in terms of size, nature, type, level of risk, etc.; - inferred from handbooks, tariff rates, product tables, framework agreements, etc. or on the basis of legally defined and imposed conditions; practised in similar transactions by comparables.
(14)	The details supporting this assessment must be described and, in any case, the main references of the conditions applied must be given.

	The reasons for any deviation of the economic and contractual conditions applied to the transaction from standard or market conditions must be adequately justified by the desirability and economic advantage of carrying out the transaction itself.
(15)	<p>Describe the reasons that support the interest and cost effectiveness of the transaction. Specifically:</p> <ul style="list-style-type: none"> – indicate and evaluate the reasons for the interest in the completion of the transaction for the bank/company, which may differ, depending on the characteristics of the transaction, in economic, financial, strategic, commercial, relational terms, etc. or may coexist with each other; – specify the cost-effectiveness of the transaction; – confirm the substantial fairness of the terms. <p>The transaction Owner carries out the assessments with the support, where necessary, of the competent/specialist departments of the bank/company.</p>
(16)	Tick the relevance classification assigned by the Owner to the Transaction.

ADDENDUM 'A1'

Pricing Sheet	
Product Technical Sheet	<i>If the transaction includes more than one type of product, please enter a column for each one with the relative pricing details</i>
<i>If financing transaction</i>	
Simulation date / Contract date	
Amortisation type - Amortisation Frequency and Duration	
Rate type (fixed/variable)	
Reference rate	
<i>Minimum Hurdle Spread</i>	
<i>of which:</i>	
Cost of Risk	
Cost of funding	
<i>Reference rate</i>	
<i>Present RACE vs minimum RACE for positive EVA</i>	
Actual spread	
Other components - commissions	
<i>Brief description of the valuations carried out to set the pricing starting from the Minimum Hurdle Spread, as well as of the specifications and rationales supporting the possible compliance with standard/market conditions</i>	
<i>Brief description of 'comparable' transactions to which similar pricing was applied (e.g., for financing transactions, a summary of the Syndicate Opinion - where available - supported by any annexes should be provided)</i>	
<i>If other type of transaction</i>	
<ul style="list-style-type: none"> - Indication of the criteria used to define pricing, for example: reference to tariff rates; reference to market benchmarks; tender procedures, salary scales or similar, etc. - Brief quantitative description of the reference parameters for pricing and evidence of the quantitative and qualitative evaluations for the calculation of the actual pricing. - Specifications and rationales to support possible compliance with standard/market conditions (e.g. external appraisals, etc.). 	

Business and Report Status	
<ul style="list-style-type: none"> - Overview of the profitability ⁽¹⁰⁾ of the customer by product factory (F&A, GTB, Markets, Leasing, Factoring and other CBKs): <ul style="list-style-type: none"> • segmented by Legal Entity • information on the percentage of contribution to total customer revenues for the various business lines • Information on the type of transactions carried out 	
Brief description of the following elements	Revenue performance - total revenues Year/Year
	Profitability performance - RACE Year/Year
	RWA Year/Year performance
	Cross selling efficiency Index + brief description of revenues from cross selling
<i>If ceiling: Brief description of the rationale behind the business vote/recommendation in support of the ceiling request</i>	
Other information on the Report (if applicable)	
If investee company	Payout of the shareholding
Notes	
Outcome of Plausibility Check	

⁽¹⁰⁾ Including, for example, Revenues in Real Estate transactions, Revenues/costs from bond subscriptions, deposit volume/remuneration, securities deposits, treasury/trading desk activities.
