



ANTI-CORRUPTION REGULATION OF EURIZON CAPITAL S.A.

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1. INTRODUCTION

1.1 Objectives

The Intesa Sanpaolo Group (hereinafter the “Group”) is committed to combating corruption in all its forms. Corruption means the offer or acceptance, directly or indirectly, of money or other benefits able to influence the receiver, with the aim to induce or rewarding the performance or forbearance of a function or activity. It therefore includes both “active bribery” (offering) and “passive bribery” (acceptance) in dealings with public officials (“public corruption”) or between private persons (“private corruption, aimed at inducing an act that is a breach of one’s own official duties (“direct corruption”) or encouraging the performance of an act in line with the person’s official duties (“indirect corruption”), whether “antecedent” or “subsequent” to the performance of official acts.

Taking into account the principles of the “Group Anti-Corruption Guidelines” published by the Ultimate Parent Company Intesa Sanpaolo, this Regulation of Eurizon Capital SA identifies the principles, at-risk areas and roles, responsibilities and macro-processes for the management of the risk of bribery by the Company as part of its business activities. Furthermore, with a view to actively cooperate in the fight against corruption and to safeguard its image with all key stakeholders, Eurizon Capital SA monitors the transactions it merely executes on the basis of customer orders through the Money Laundering and Terrorism Financing Risk Monitoring System in place to manage compliance with the requirements of Law of 12 November 2004 and subsequent amendments.

This Regulation must be complied with by Company representatives and all Company personnel. Compliance with the principles set forth in this document is also required by external entities (suppliers, agents, consultants, professionals, business partners, independent contractors, and “quasi-employees”, etc.) who collaborate with the Company in its business operations (hereinafter “third parties”).

2. REGULATORY FRAMEWORK

2.1 External regulations

The Group's approach to combating corruption is guided by the fundamental principles contained in anti-corruption conventions and by international best practices. The key conventions and guidelines in that framework to which reference is made include:

- *Organization for Economic Cooperation and Development (OECD), “Convention on Combating Bribery of Foreign Public Officials in International Business Transactions”, 1997;*
- *United Nations “Convention Against Corruption”, adopted by resolution 58/4 of 31 October 2003;*
- *Council of Europe, “Criminal Law Convention on Corruption” and “Civil Law Convention on Corruption”, 1999;*
- *Council of the European Union, “Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector”, 2003;*
- *The Wolfsberg Group, “Wolfsberg-Anti Corruption Guidance”, 2011;*
- *International Chamber of Commerce, “ICC Rules on Combating Corruption”, 2011;*
- *Transparency International, “Business Principles for Countering Bribery, a Multi-Stakeholder Initiative led by Transparency International”, 2013;*
- *G-20, “2015-16 G20 Anti-Corruption Implementation Plan”, 2014.*

The approach adopted additionally takes into consideration relevant national legislation, specifically:

- Luxembourg Penal Code (articles 246 to 253, article 310 and article 310-1);
- Law of 13 February 2011 on enhancing the means to fight corruption and amending 1) the Labour Code, (2) the amended Act of 16 April 1979 laying down the status of State officials, 3) the amended law of 24 December 1985 laying down the general status of municipal civil servants, (4) the Code of Criminal Investigation; and (5) of the Penal Code;
- Circular CSSF 12/552: Central administration, internal governance and risk management.

2.2 Internal Regulations

This document is part of the broader internal regulatory framework of the Group and Company, including the following related regulations:

- the Group Code of Ethics;
- the Intesa Sanpaolo Group Internal Code of Conduct;
- the Internal Code of Conduct and Regulations on the personal transactions of the Relevant Persons of Eurizon Capital SGR S.p.A.;
- Group Compliance Guidelines;
- the Guidelines of the *Compliance & AML* Function of Eurizon Capital SGR S.p.A. and its subsidiaries;
- Regulation for the management of the compliance macro-processes of Eurizon Capital SGR S.p.A. and its Subsidiaries (Compliance Rulebook);
- the Group Administrative and Financial Governance Guidelines of Intesa Sanpaolo;
- Group Rules on internal systems for reporting violations (*whistleblowing*);
- the Regulation on internal systems for reporting violations (*whistleblowing*) of Eurizon Capital SA.).

3. GUIDING PRINCIPLES

3.1 General principle of “Zero Tolerance”

Eurizon Capital SA conducts its business with a view to providing financial services to its customers with integrity, which is based on the principles of professionalism, diligence, honesty, fairness, and accountability. In line with those principles, and in accordance with the values and restrictions contained in the Code of Ethics, the Group Internal Code of Conduct, Internal Code of Conduct and Regulations on the personal transactions of the Relevant Persons of Eurizon Capital SA - the Company:

- will not tolerate any kind of corruption, in any form, way, or jurisdiction in which it may take place, including where such practices should be accepted, tolerated, or not punishable in accordance with the regulations in the countries where the Company operates;
- will not tolerate any kind of conduct involving the offer or acceptance of money or other benefits, directly or indirectly, with the aim of inducing or rewarding the performance or forbearance of a function or activity. Such conduct will not be tolerated even where it involves small payments aimed at expediting, facilitating, or ensuring the performance of a routine activity or any other activity falling within the duties of the recipient (so-called Facilitation Payments). Benefits that may not be arranged include, but are not limited to, gifts and favours provided free of charge (excluding those covered by provisions for gifts, entertainment expenses, and donations), the undue recruitment of a person, the provision of credit under conditions not complying with the principles of sound and prudent management, and, in general, all transactions involving the generation of a loss for the Group and creating a profit for the recipient (e.g., the unjustified cancellation of a debt position and/or the application of discounts or conditions not in line with market parameters).

The Company Personnel who receive, or learn of, a solicitation for or offer of money or other benefits, by any person, aimed at the performance or omission of a function/activity, should report the situation immediately to their line manager; in turn, the line manager is to notify the report received to the Company’s Anti-Corruption Officer and to the Internal Audit Function¹ for an assessment of the case. Alternatively, personnel may utilise the whistleblowing channels set out by the “Group Rules on internal systems for reporting violations (Whistleblowing)” .

The Company’s personnel who are involved in an act of corruption or facilitate such conduct, or act in a manner not comply with the provisions of law, the Group Guidelines and/or this Regulation, will be subject to disciplinary measures, as provided for by the rules and contractual provisions governing their employment. The type and extent of the penalties will be set, in accordance with applicable law,

¹ The Internal Audit Function is outsourced to Intesa Sanpaolo.

considering the degree of carelessness, inexperience, negligence, fault or intention of the behaviour linked to the action/omission, and taking into account any recidivism and the work performed by the person concerned and his/her functional position, together with any other particular circumstances characterising the act.

Similarly for external parties, the Company will terminate any kind of relationship with third parties which - in their dealings with the Group and Company breach anti-bribery laws and regulations, including the Group Guidelines on Anti-Corruption and this Regulation, in accordance with specific contractual clauses, without prejudice to the right to seek compensation in the event that their misconduct gives rise to material damages to the Group and Company.

Any breaches by members of the governance or control bodies Company are to be examined by the respective corporate body to assess the appropriate measures to be taken in relation to the circumstances, in accordance with laws and regulations in force.

The sanctions system of should apply irrespectively of any possible criminal action, in progress, or brought to a close, as the principles and rules set forth in this Regulation have been laid down by the Company independently of whether misconduct constitutes a criminal offence.

3.2 Areas at greatest risk

On the basis of international standards, the Company has identified the following areas as those in which the risk of corruption, or of exploitation for acts of corruption, is greatest:

- gifts and entertainment expenses;
- donations and sponsorships;
- relationships with third parties (suppliers and other persons or entities that collaborate with the Group and Company);
- acquisition, management, and disposal of equity investments and other assets;
- recruitment of personnel;
- acquisition, management, and disposal of real estate assets.

In order to ensure the implementation of the general principle of “zero tolerance” of corruption, the Company must follow, in the management of operational processes, the following general rules in the areas identified above:

- duties are to be separated through the distribution of responsibilities and the establishment of an adequate system of authorisation levels, in order to prevent functional overlaps or operational assignments that concentrate critical tasks under a single person;
- clear and formalized allocation of powers and responsibilities, with the express indication of operational limits, in line with assigned duties and positions covered within the organizational structure;
- appropriate procedures are to be adopted for performing activities;
- records, operations, and transactions are to be traceable through the use of adequate documentary or IT media;
- decision-making processes are to be tied to set objective criteria (e.g., the existence of a supplier list, objective criteria for the assessment and selection of personnel, etc.);
- existence and traceability of control and supervisory of transactions.

For effective anti-bribery activities, it is essential that administrative and accounting procedures and internal control procedures on cash flows are followed, in order to ensure that payments and transactions are accurately recorded and entered in the accounts and records of the company concerned. Accordingly, the Company has defined organisational and control rules and implemented the relevant Administrative and Financial Governance Group Guidelines which are designed to guarantee a true and fair view of the financial position, performance, and cash flows from operations.

Finally, for areas of particular risk for acts of bribery, as an additional prevention measure, the Group and the Company seek to rotate personnel in dealings with third parties.

3.2.1 Gifts and entertainment expenses

The Company shall not tolerate the use of gifts and entertainment expenses to influence the independence judgement of recipients or, at any rate, to induce them to adopt favourable behaviours; therefore, it is forbidden:

- distributing gifts, making promises or granting benefits of any nature that may be interpreted as exceeding the normal commercial and/or institutional courtesy, i.e., as a means used to obtain favours in the exercise of any function and/or in the course of any activity related to the Group;
- accepting, for oneself or others, gifts in excess of a moderate value or any other benefit that falls outside the normal commercial and/or institutional courtesy or be aimed at compromising independence of judgement and proper business conduct.

Acts of business and/or institutional courtesy of modest value mean gifts or other benefits (such as, for example, invitations to sports events, shows, entertainment, free tickets, etc.) from or to the same person or entity with a total value of no more than €150 in the one calendar year. Any gifts or other benefits exceeding a value of €150 are admissible on an exceptional basis considering the profile of the donor and/or recipient and, at any rate, within reasonable limits, upon prior authorisation by a manager holding a position of at least Head of Department or of an equivalent company organisational unit.

The set annual value limits for gifts and other benefits do not apply to entertainment expenses concerning events and forms of welcome and hospitality (including lunches, refreshments and dinners) involving the participation of company officials and Group personnel provided that these are strictly related to business or institutional relations and are reasonable considering the commonly accepted practices.

Under no circumstances may gifts be given in cash. Gifts and other benefits provided by the Group to one and the same person or entity must be in line, as far as possible, with Company standards (branded gifts, gift catalogue).

In any case, the following minimum standards must be observed:

- gifts and entertainment expenses should be governed by specific internal rules governing roles, responsibilities, and spending powers;
- gifts and entertainment expenses must be properly traced (specifying their nature and purpose, the recipient, the type and value of the gift/expense, authorisation where required). Documentation is not required for gifts or other benefits received by Group officers and personnel from one and the same person or entity with a total value of no more than €150 in the one calendar year.

3.2.2 Donations and sponsorships

The Company does not give donations or provide sponsorship with the aim of obtaining favours. Accordingly, such activities are conducted in a transparent and accountable manner, with procedures adopted to prevent any potential act of corruption.

In any case, the following minimum standards must be observed:

- donations and sponsorships should be governed by specific internal rules governing roles, responsibilities, and spending powers;
- donations and sponsorships may only be made to entities established in accordance with law and whose activities do not conflict with the ethical principles Company; for donations, such entities must be non-profit organisations;
- sponsorship initiatives cannot simultaneously receive donations;
- donations may not be made to political parties, political movements, and their related organisations, to trade unions or welfare organisation, clubs (such, for example, Lions Clubs International or Rotary International), associations or recreational groups, or to private, substitute and/or legally recognised schools, except for initiatives of particular social, cultural, or scientific value, which require approval by the Company Anti-corruption Officer;
- due diligence must be carried out on the beneficiary entity, aimed at:

- analysing the type of entity and the purpose for which it was established;
- verifying the reliability and the reputation of the beneficiary, with focus placed on any criminal convictions and/or charges;
- determining whether any statutory requirements exist in order to comply with applicable laws and regulations;
- identifying any risks associated with the beneficiary;
- the beneficiary must formally undertake a commitment to comply with applicable anti-corruption law and the principles contained in this Regulation;
- all donations and sponsorships should require the approval of persons duly authorised under the system of powers and delegations;
- donations and sponsorship may only be made to a bank account held by the beneficiary. It is not permitted to make payments in cash, in a country other than the country where the beneficiary is based, or to a person or entity other than the beneficiary;
- full record must be kept of initiatives and all documentation relating to the process of managing donations and sponsorships (nature and purpose, checks carried out, approval process, payment method) is to be archived, including in electronic or dematerialised format, in order to ensure that the related reasons and responsibilities can be duly reconstructed.

3.2.3 Relationships with third parties (suppliers and other people or entities that collaborate with the Group and Company)

The Company establishes relationships with third parties – suppliers, agents, consultants, professionals, business partners, independent contractors, “quasi-employees”, and other people or entities that collaborate with the Group and Company in their business (including social initiatives) – on the basis of an assessment of their professionalism, competence, competitiveness, and integrity. Such relationship should be conducted with the maximum propriety, adopting procedures aimed at preventing potential corrupting conduct.

In any case, the following principles must be observed:

- before to establish the relationship, an adequate due diligence should be conducted, aimed at:
 - identifying, in the case of a company, the control chain, the beneficial owners, and the persons tasked with management and control duties, as well as the relative financial position/economic situation of the company;
 - checking the reliability and the reputation of the third party, with focus placed on any criminal convictions and/or charges; in the case of a company, legal persons, entities and associations, the beneficial owners and the persons tasked with administration, management and control duties;
 - checking that the specific skills and experience necessary to perform the contract;
 - verify the existence of any statutory requirements in order to comply with applicable laws and regulations;
 - identifying any risks associated with the third party;
- the contract governing the dealings must contain a commitment by the third party to comply with applicable anti-bribery law and the principles set forth in this Regulation, and clauses entitling the Company to demand the early termination of the contract and compensation for any damages incurred in the event of non-compliance;
- the contract governing the relationship must contain a commitment by the third party to report any solicitation for money or other benefits, by any person, that it should receive or learn of, aimed at the performance or forbearance of a function/activity in relation to the performance of the contract, to the Company Anti-corruption Officer;
- payments may only be made to a bank account held by the third party with which dealings are pursued, which should preferably be held with a Group Bank. Where an account is opened with the Group, the due diligence requirements of identifying the control chain, the beneficial owners, and the persons

tasked with management and control functions and checking the reputation of the third party, as set out above, will be considered discharged;

- it is not permitted to make payments in cash, in a country other than the country where the third party is based, or to a person or entity other than the third party.

For the purposes of procurement procedures for goods and services and professional engagements (e.g., legal, tax, technical, labour law, administration and organisational advisory services, broker agreements, agency agreements, arrangements with other various intermediaries, etc.) the following minimum standards must be observed:

- procurement processes for goods, services, and professional services should be governed by specific internal rules governing roles, responsibilities, and spending powers; purchase requests, engagements, the execution of contracts, and the issue of purchase orders should require the approval of duly authorised persons under the existing power and delegation system;
- suppliers of goods and services and professionals should be chosen from those selected on the basis of criteria identified by internal regulations, by a call for tenders or, in any case, through the acquisition of several offers. Internal regulations identify in which cases the process may be waived for specific needs and for justified reasons (such as for specific advisory engagements and legal services) without prejudice to due diligence obligations;
- the outsourcing of activities under sub-contracting arrangements should be subject to contractual clauses requiring the prior consent of the entity executing the contract;
- payments of invoices/fees should require the authorisation of persons charged with relative spending powers and should be supported by an attestation of the quality of the goods/service supplied in relation to the contractual terms and of the congruity of the consideration charged. In no case is it permitted to make payments if they are not adequately justified under the terms and conditions of contract;
- the different steps of the processes must be carried out by different and clearly identifiable persons, and must be supported by a maker and checker mechanism;
- full record must be kept of activities (especially as concerns the grounds for choosing a supplier of goods and/or services or a professional and the pertinence and congruity of the expense) and all documentation relating to the procurement process for goods, services, and professional service must be archived, including in electronic or dematerialised format, in order to ensure that the motivations for decisions and the relative responsibilities can be reconstructed.

3.2.4 Purchase, management, and disposal of equity investments and other assets

The Company will not tolerate conduct that is not fully transparent, aimed at obtaining or granting favourable treatment, in relation to transactions for the acquisition, management, or disposal of equity investments (direct or indirect, qualified or non-qualified investments in other companies and other comparable forms of investment) or other assets (such as, for example, identified groups of non-performing loans, business units, goods, and legal transactions). The principle applies especially in the following fields:

- feasibility studies of transactions and/or the identification of business opportunities;
- management of pre-contractual relationships, performance of activities prior to the contract and the execution of contracts;
- management of procedures related to the purchase, management, and sale of equity investments and other assets.

In any case, the following minimum standards must be observed:

- processes of purchase, management, and sale of equity investments and other assets should be governed by specific internal rules governing roles, responsibilities, and spending powers; adequate authorisation levels should be determined, involving the identification, within the system of powers and delegations, of the persons duly authorised to exercise approval and/or negotiating powers in the pre-contract and contract execution stages and in the management of contractual dealings;

- adequate due diligence should be conducted on companies targeted by investment and on the counterparty, on the basis of analogous criteria to those adopted for third parties;
- the different steps of the processes must be carried out by different and clearly identifiable persons, and must be supported by a maker and checker mechanism;
- the traceability of activities and all documentation must be archived, including in electronic or dematerialised format, in order to ensure that the relative motivations and responsibilities can be reconstructed.

3.2.5 Personnel recruitment

The Company requires the adoption of recruitment methods that are equitable and fair and which exclude any form of favouritism. In this context, the Company adopts transparent and documented methods and procedures designed to prevent any potential act of corruption.

In any case, the following minimum standards must be observed:

- the recruitment process should be governed by specific internal rules governing roles, responsibilities, and spending powers;
- the recruitment process should be centralised under a dedicated unit, which is to assess the needs of requesting units on the basis of budget limits and internal development plans;
- personnel should be recruited from a shortlist of potential candidates, except in the case of qualified specialist personnel, protected employee categories, and persons selected for management positions; recruitment should be supported by the collection, including in electronic or dematerialised format, of standard information of a uniform nature, enabling the profiling of each candidate;
- the comparative assessment of candidates should be conducted on the basis of criteria focused on competence, professionalism, and experience for the role for which the Company is recruiting; before a recruitment is made, adequate due diligence should be conducted, aimed at:
 - checking the reliability and the reputation of the candidate, with focus placed on any criminal records and/or charges against the person;
 - identifying any risks associated with the candidate;
- adequate authorisation levels should be determined, involving the identification, within the system of powers and delegations, of the personnel expressly authorised to approve recruitments, in relation to the importance of the position to be covered within the company organizational framework;
- the different phases of the processes must be carried out by different and clearly identifiable persons, and must be supported by a maker and checker mechanism;
- full record must be kept of activities and all documentation relating to the recruitment process (résumés, application form, employment contract, etc.) must be archived, including in electronic or dematerialised format, in order to ensure the reconstruction of the reasons for decisions and relative responsibilities..

3.2.6 Purchase, management, and disposal of real estate assets

The Company adopts transparent real estate management methods that mitigate the risk of favourable treatment. The principle applies especially in the following fields:

- identification and selection of investment or disinvestment opportunities;
- acquisition, management, and sale of real estate;
- management of leases/loans.

In relation to such activities, the Group expressly rejects any conduct entailing the promise, concession, or acquisition of real estate assets on non-market terms and conditions or aimed at unduly promoting personal interests or Group interests or which could constitute an act of corruption.

In any case, the following minimum standards must be observed:

- processes of purchase, management, and sale of real estate assets and the management of leases should be governed by specific internal rules governing roles, responsibilities, and spending powers;

- adequate authorization levels should be determined, involving the identification, within the system of powers and delegations, of the persons authorised to exercise approval and/or negotiating powers in the acquisition, management or disposal of real estate assets and in the lease management;
- adequate due diligence should be carried out on the counterparty, according to criteria similar to those adopted for third parties;
- checks should be carried out on the fairness of the purchase/sale price and on rental fees charged/paid in relation to the market value of the asset (except cases of granting of real estate for social initiatives as regulated by the specific internal rules), using assessment prepared by independent experts where the due diligence process finds there is a potential risk of bribery;
- the different phases of the processes must be carried out by different and clearly identifiable persons, and must be supported by a maker and checker mechanism;
- full record must be kept of activities and all documentation relating to tasks performed as part of processes of purchase, management and sale of real estate assets and the management of leases, including in electronic or dematerialised format, must be archived, in order to ensure reconstruction of the related reasons and responsibilities.

4. ROLES AND RESPONSIBILITIES

The following paragraphs specify the tasks of the corporate bodies and company units strictly connected with the purpose of this Regulation. For a complete description of the tasks and responsibilities, please refer to the Articles of Association, the Regulations governing their operation and the "Regulations for the Integrated Internal Control System of Eurizon Capital S.A.", while for the company units, please refer to the Company Organisation Chart Description.

4.1 Board of Directors and Management Committee

The Board of Directors and Management Committee:

- examines and approves, on the proposal of the Head of the Compliance & AML Function, the Anti-Corruption Regulation and implements them through Conducting Officers;
- examines the information on the monitoring of the risk of corruption provided by the Head of the *Compliance & AML* Function as part of the periodic reports to be submitted to the Management Committee.

4.2 Finance Function

The correct and timely representation of the Company's economic and financial results, with reference to the risk of corruption, is one of the prerequisites for an effective fight against corruption. The Finance Function has specific functional responsibilities aimed at ensuring a truthful and correct representation of the Company's equity, economic and financial situation.

4.3 Compliance & AML Function

The Head of the Compliance & AML Function prepares and proposes to the Board of Directors the Anti-Corruption Regulation and ensures the control of the risk of corruption.

The Compliance & AML Function, which reports to the Head of the Compliance & AML Function, periodically verifies the effective application of this Regulation, adopting a risk-based approach, by the Company's units and third parties and is responsible for the implementation of the Code of Ethics by the Company's personnel.

The *Compliance & AML* function, which includes the Anti-Money Laundering Officer, is responsible for overseeing the risk of corruption. To this end, the Function is independent from the operational units and has adequate resources, in terms of quality and quantity for its tasks, including economic resources. The AML/CTF Compliance Officer is assigned the role of Anti-Corruption Officer of the Company, and in this capacity:

- takes care, through the relevant units, of the authorization process, in the cases provided for in paragraph 5.9;
- authorises, where applicable, any exceptions to the principles contained in this Regulation;
- manages relations with regulatory and supervisory authorities on anti-corruption matters, reporting to the Legal & Corporate Affairs function.

With regard to the control of the risk of corruption, the AML/CTF Compliance Officer uses the Compliance & AML function, which carries out the following activities:

- supports the Head of the Compliance & AML Function in defining, periodically reviewing and updating this Regulation;
- monitors, with the support of the Legal & Corporate Affairs Function, the evolution of the national and international regulatory framework and assessments of their impact on internal processes and procedures; with specific reference to the legislative framework for the fight against corruption in each country in which the Company operates, the Compliance & AML Function will prepare, and periodically update, specific Country Files summarising the main local laws;
- carries out the risk assessment on the anti-bribery effectiveness of internal processes and procedures, proposing, in collaboration with the relevant corporate units, the organizational and procedural changes necessary or appropriate to ensure adequate oversight of corruption risk;
- provides advice and assistance to corporate bodies and units on anti-bribery matters, in the application of this Regulation and in the related implementation regulations;
- defines the system of first and second level anti-corruption controls;
- cooperates with the relevant corporate functions for the establishment of effective communication channels and training tools, identifying the need for training on anti-bribery issues and arranging the content of the related training initiatives;
- prepares information flows to Corporate Bodies and to the Top Management

4.4 Risk Management Function

The *Risk Management* Function works with the *Compliance & AML* Function in establishing the compliance risk assessment methods, facilitating synergies with its own *Operational Risk Management* instruments and methods. Specifically, during its audits the Operational Risk Management assesses the adequacy and effectiveness of the safeguards put in place by the Company to combat the risk of corruption and their effective application, as well as proposing possible mitigation actions to the Corporate Bodies.

4.5 Legal & Corporate Affairs Function

The Legal & Corporate Affairs Function:

- supports the *Compliance & AML* Function in identifying applicable anti-bribery laws and regulations;
- advises and assists the Compliance & AML Function with regards controversial legal aspects concerning examination of the compliance of internal processes and procedures, contracts and forms or the significant cases of inefficiencies identified;
- manages relations with the judicial authorities in case of compliance incidents regarding corruption, keeping the Compliance & AML Function informed;
- supports the Compliance & AML Function in the periodic updating process of the Country Files of the countries where the Company is established, coordinating the activities of requesting and collecting the necessary information;
- monitors the evolution of regulations relevant to the Company, informing internal units.

4.6 Sales & Client Management Function

The Sales & Client Management Function, in coordination with the Marketing and Business Development Department of the Parent Company Eurizon Capital SGR ensure the management of initiatives in support of:

- the Company's business activities (sponsorships, events, etc.) are conducted in compliance with this Regulation and the Group Anti-corruption Guidelines.
- the Company's reputation (relations with communities and trade associations, public relations activities, etc.) are conducted in compliance with this Regulation and the Group Anti-Corruption Guidelines.

4.7 Investments Department

The Investments Department, through the ESG & Strategic Activism unit of Eurizon Capital SGR S.p.A. reporting to it:

- coordinates the strategies on Sustainability and Socially Responsible Investments (SRI) and provides support to the General Management and the relevant functions in relation to the integration of environmental, social and governance (ESG) factors into the Company's Investment Process.
- supports the Company in its activities and relations with clients for SRI matters;
- liaises with the issuers of the instruments present in the managed assets to acquire information on environmental, social, and governance factors considered of interest.

4.8 Human Resources Function

The Human Resources Department:

- ensures a process of selection, recruitment and management of personnel in line with the guiding principles underlying the approach to combating corruption of the Group and the Company, as defined by the Group Guidelines and this Regulation;
- assesses and promote disciplinary action against employees for whom non-compliance with the principles set out by internal regulations on the fight against corruption is reported;
- assesses the applicability of measures established by collective bargaining agreements for employees involved in criminal, civil and administrative proceedings for alleged violations of applicable laws and decides on the position to adopt in legal proceedings;
- works with the Compliance & AML Function in developing initiatives to disseminate a company culture, at all levels, that is consistent with the principles of compliance with rules on the fight against corruption and to raise awareness of possible relative risks;
- in cooperation with the Compliance & AML Function, establishes effective communication channels for the dissemination of an anti-corruption culture within the company.

4.9 Operations & Finance Function

4.9.1 Finance unit

The Finance unit ensures the correct and timely representation of the economic and financial results of the Company which, with reference to the risk of corruption, is one of the prerequisites for an effective fight against corruption. This includes the Tax unit that oversees relations with the financial administration for all tax-related matters.

4.10 Organisation & Outsourcing Control unit

The Organisation & Outsourcing Control unit, which reports to the Operations & Finance Department:

- defines organisational solutions that are consistent with the objectives and guidelines set out in the fight against corruption, using the advice and collaboration of the Compliance & AML Function. In particular, it oversees the analysis and adoption of change and organisational development processes, including those resulting from risk assessment activities;
- supports the Compliance & AML Function in updating these Regulations, setting out roles and responsibilities;
- designs corporate processes, in coordination with the *Compliance & AML* Function and the *process owner* and oversees the updating and publication of internal anti-corruption regulations.

4.11 Other Operational Functions

The operational, business and support functions of the Company are primarily responsible for the corruption risk management process: these units must identify, assess, monitor, mitigate and report corruption risks arising from ordinary business activities, in accordance with the risk management process set out in the "Regulation of the Integrated Internal Control System."

The Company's operational functions shall comply with company processes and procedures, checking their application with adequate first level controls aimed at ensuring the proper performance of transactions, in full compliance with this Regulation.

The Company's operational functions also perform the following activities:

- strict due diligence, in the event of potentially high risk of bribery, in accordance with company processes and procedures;
- participation, on the basis of annual training plans set, in anti-bribery training courses.

4.12 Internal Audit Function

The Internal Audit Function assesses the adequacy and effectiveness of anti-bribery controls and report the results of its assessments to the Corporate Bodies as part of its periodic reporting duties. Where a report is received of misconduct or of a well-founded suspicion of a breach of the principles set forth in this Regulation or of anti-bribery laws and regulations, the Internal Audit Function should immediately notify the Company Anti-Corruption Officer and prepare to take suitable action.

5. ANTI-CORRUPTION MACRO PROCESSES

The processes for the management of the risk of corruption are part of the macro-processes provided for in the "Guidelines of the Compliance & AML Function of Eurizon Capital SA" and the "Regulation of management of Compliance macro processes of EC SGR and its subsidiaries (Compliance Rulebook)" as shown below:

- *Risk Assessment:*
- Planning of activities;
- Regulatory alignment;
- Advisory;
- *Assurance;*
- Spread of an anti-bribery culture;
- Specific requirements;
- Reporting to corporate bodies;
- Management of relations with Authorities.

5.1 Risk Assessment

The periodic identification and assessment of bribery risk and of the related governance is the first logical step of the risk management model. The *Compliance & AML* Function annually identifies and assesses compliance risks and controls for each of the risk areas identified in this Regulation, in order to assess the overall exposure to bribery risk. On the basis of the risk assessment outcomes, the Compliance & AML Function should identify and plan any management action needed.

5.2 Activity planning

The identification and periodic assessment of corruption risks and vulnerabilities is preliminary to the planning of actions by management; when the annual compliance reports are issued, these are submitted for approval by the Board of Directors after being examined by the Management Committee.

The AML/CFT Compliance Officer proceeds annually with the planning of actions. Planning is carried out taking into account the activities that are expected to be carried out, in terms of priorities, objectives, and

timing. If any shortcomings are identified, reported by resources, suitable mitigations actions are defined according to risk-based logics, and notified to the competent Corporate Bodies.

5.3 Regulatory alignment

Regulatory alignment is ensured through the following activities:

- continuous identification and interpretation of external regulations;
- assessment of the impact of applicable regulations on company processes and procedures and the consequent proposition of organisational and procedural changes to ensure the adequate oversight of bribery risks.

The impact assessment of anti-corruption regulations is supervised by the Compliance & AML Function with the cooperation of the Human Resources Department and the Organisation & Outsourcing Control unit and, for legal aspects, with the support of the Legal & Corporate Affairs, within their respective responsibility. With specific reference to the legislative framework for the fight against corruption in each country in which the Company operates, the Compliance & AML Function will prepare, and periodically update, specific Country Files summarising the main local laws.

5.4 Advisory

The risk of corruption is monitored, from a preventive point of view, also through the provision of advice and assistance, by the Compliance & AML Function, to the Company's corporate bodies and units, aimed at ensuring the correct application of this Regulation.

5.5 Dissemination of an anti-bribery culture

The dissemination of a company culture based on the principles of honesty, fairness, and respect for the spirit and letter of this Regulation contributes to the management of bribery risk. Accordingly, the Compliance & AML Function should target specific training initiatives at corporate officers and personnel that are most exposed to corruption risk. The initiatives organised should be mandatory and fully recorded, and aim, in particular, for each recipient, at developing the following abilities:

- to understand the key aspects of regulatory provisions for the fight against corruption;
- to apply this Regulation, acting in accordance with the provisions set forth herein.

5.6 Assurance

Compliance with anti-bribery regulations should be subject to first and second level controls aimed at constantly verifying the conformity, efficiency, and effectiveness of the processes and procedures adopted. The Company should assure that those activities are performed in accordance with adequate professional standards, and, in particular, that:

- the people assigned control tasks have adequate experience and professional expertise;
- the governance and control functions involved are adequately staffed and equipped for the volumes and complexity of the activities subject to audit;
- control activities are planned, regularly targeted at areas of greatest risk of corruption, as identified through risk assessment activities, performed with maximum care and diligence, and adequately documented to ensure that audit findings and recommendations are duly supported;
- the outcomes of control activities are reported;
- the managers of the units subject to controls are informed on a timely basis of any issues to be addressed.

The structures belonging to the *Compliance & AML* Function:

- notify the objectives of first and second level controls to the operational functions responsible for their execution;
- periodically monitor transactions in sectors at risk, as identified through risk assessment activities, and, where appropriate, perform process audits;

- identify and monitor the corrective actions necessary to mitigate compliance risks identified through control activities.

5.7 Information flows to Corporate Bodies

Reporting to Corporate Bodies on anti-corruption matters is an integral part of the reports prepared by the Head of the Compliance & AML Function which include, on an annual basis, the identification and assessment of the risks of non-compliance and the planning of management actions and, on a half-yearly basis, the description of the activities performed, critical issues detected and the remedies identified.

5.8 Management of relations with Authorities

Relations with regulatory and Supervisory Authorities with regard to anti-corruption issues are managed by the Head of the Compliance & AML Function, keeping the Legal & Corporate Affairs Function and the Internal Audit Function informed.

5.9 Specific requirements – Due Diligence

This Regulation requires due diligence to be conducted, on an initial and periodic basis, by the requesting unit, in the risk areas represented by: dealings with third parties – suppliers, agents, consultants, professionals, business partners, independent contractors, “quasi-employees”, and individual or entities that collaborate with the Company in its business – transactions concerning real estate assets, equity investments and other assets, donations and sponsorships, and recruitment activities.

Due diligence must be proportional to counterparty risk and aims, inter alia, to identify in advance situations that represent indicators of a potentially high risk of corruption (so-called “red flag”), as well as possible mitigating factors for such risk. As part of the due diligence, the characteristics of the proposed transaction and of the counterparties are examined². Possible *red flags* are:

- the counterparty operates mainly in a high risk country for corruption which is not the country where the Group Company is based. High risk countries are those with a below-average score on the “Corruption Perceptions Index” prepared annually by Transparency International;
- the counterparty: (i) is a politically exposed person³; (ii) holds the position of Public Official or a Person in Charge of a Public Service⁴, with decision-making power over the Group's activities of interest, or has a close relationship with any of the same parties; (iii) is presented by one of the parties referred to in the previous points;
- the counterparty has anomalous corporate characteristics: a complex or non-transparent legal entity structure or does not have operating units in the country where the Company operates;
- the counterparty adopts improper conduct: for example, objections to the inclusion of anti-corruption contractual clauses, requests for anomalous contractual terms, requests for non-standard commissions, requests for payments to parties other than the counterparty or in countries where the counterparty does not have its own transactions, abnormal conduct or promotional activities or activities that do not meet professional standards;
- the involvement of intermediaries with the objective of soliciting, promoting, and/or finalizing the transaction;
- the counterparty has been involved in the past in criminal proceedings.

² Within the meaning of this Regulation, in addition to the party with whom the agreement will be contracted or the account (direct counterparty or counterparty in the strict sense of the term) will be maintained, for parties other than natural persons, the set of different parties that predominantly characterise their interests, activity and reputational and reliability profile. These include in any case:

- the beneficial owners,
- the entity that carries out management and coordination activities or, with particular reference to foreign entities, that performs similar functions of overall guidance of the corporate group (parent company of the counterparty),
- the top management (e.g., CEO or General Manager, Conducting Officers) who are responsible for the management of the counterparty in the strictest sense and that of its parent company.

³ As identified in the company's anti-money laundering and anti-terrorist financing regulations.

⁴ As defined in the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001.

Instructions for conducting due diligence, where necessary, are set out in internal regulations governing the company processes involving the risk areas.

The establishment of accounts or the execution of transactions within the deliberative competence of the Corporate Bodies, in the presence of *red flags*, is previously authorized by the AML/CFT Compliance Officer. The internal regulations governing transactions in the Risk Areas may provide for additional, more restrictive risk thresholds in relation to which, due to economic significance or the presence of specific risk indicators, the authorisation of the AML/CFT Compliance Officer is required.

6. REPORTS AND PROHIBITION OF RETAILATION

The Company values the role played by company representatives and its staff in protecting corporate integrity and in promptly reporting any violation or risk of violation of internal regulations and anti-corruption principles and provisions. In this regard, there are communication channels through which to report any unlawful conduct or for which there is a reasonable suspicion of violation of the principles and rules contained in this Regulation.

The internal whistleblowing systems, its manager, the processes for analysing reports, the units involved and the methods of reporting to the Corporate Bodies are governed by specific company rules (Regulation on internal systems for reporting violations - Whistleblowing and the Organisation, Management and Control Model) which ensure the confidentiality of the whistleblower, excluding the risk of retaliatory, unfair or discriminatory behaviour.

7. COORDINATION AND CONTROL MODEL

Eurizon Capital SA, as a Group Company to which a coordination and control model applies, is required to implement the Anti-corruption Guidelines issued by the Ultimate Parent Company, adapting them, in coordination with the Parent Company's Anti-Money Laundering Department, to its corporate and/or organisational context and to any specific local regulations where more restrictive, and submitting them - subject to a favourable assessment by the Anti-Money Laundering Department of the Parent Company - to its Board of Directors for approval. The AML/CTF Compliance Officer of the Company also acts as Anti-Corruption Officer.

The Compliance & AML Function of the Parent Company Eurizon Capital SGR performs a role of coordination and control, liaising with the compliance functions of the Company, with a view to maximising the effectiveness and efficiency of the anti-corruption management system.