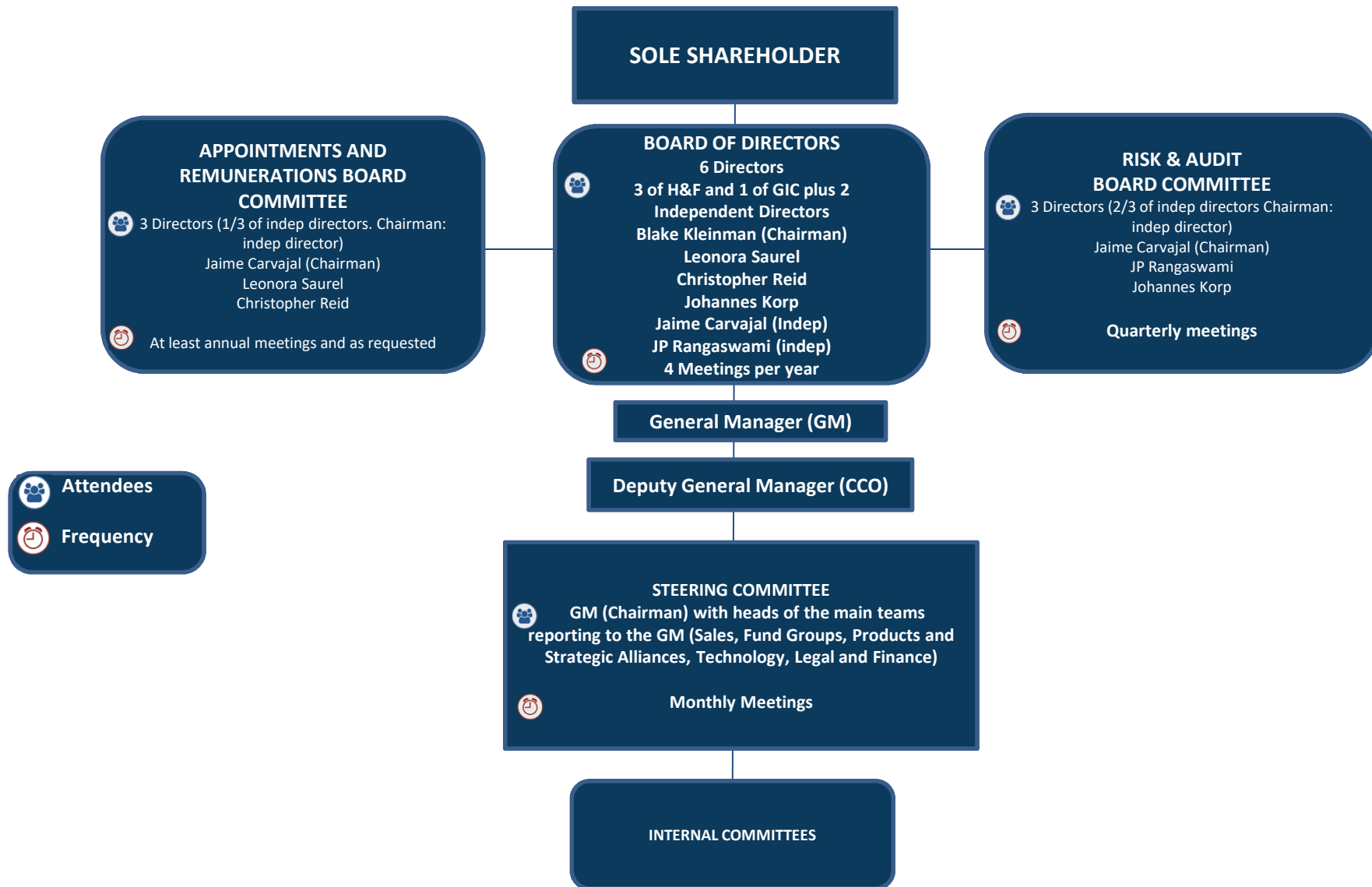




ORGANISATIONAL STRUCTURE

ALLFUNDS BANK, S.A.U.

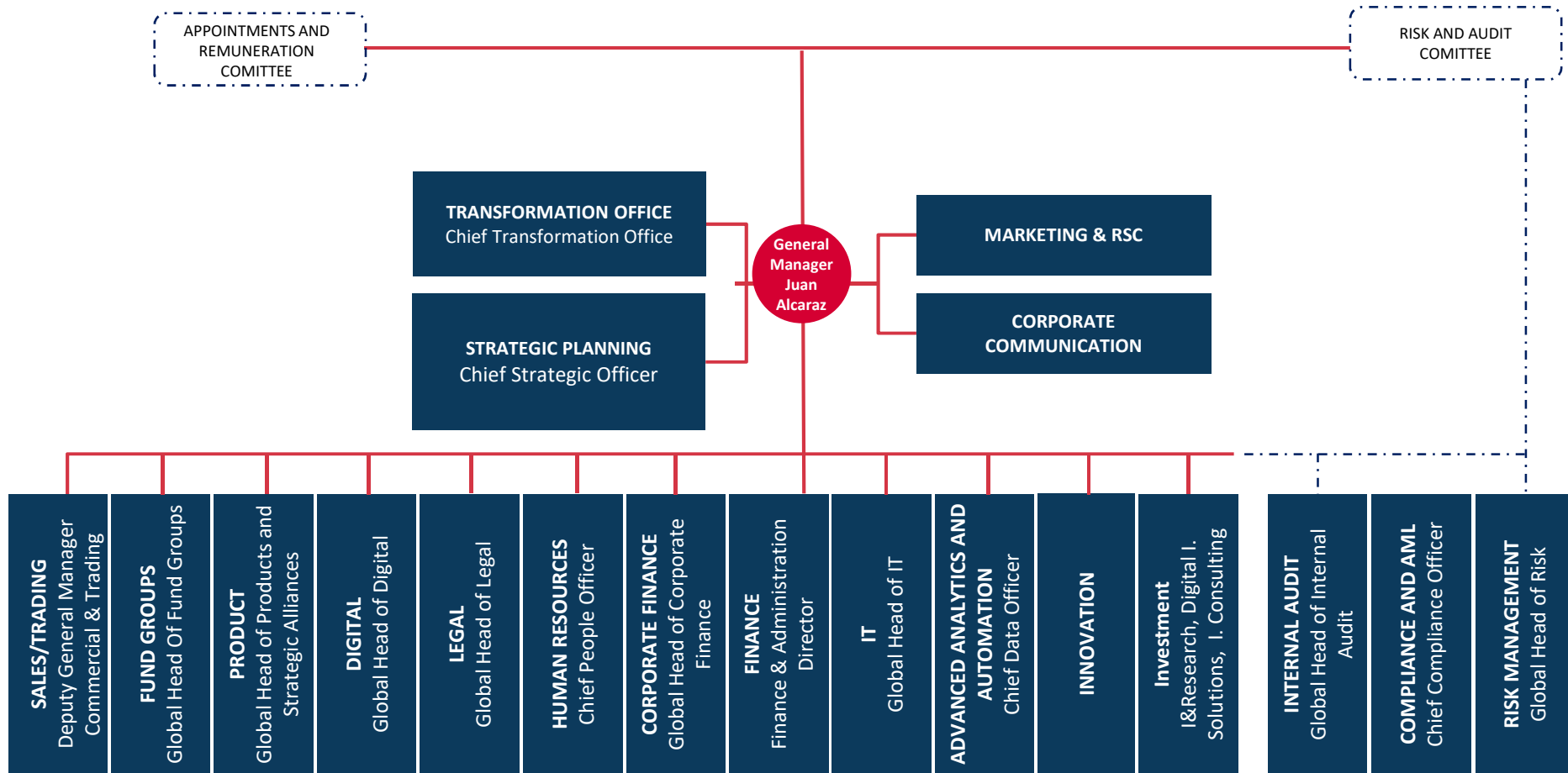
▶ CORPORATE GOVERNANCE



CORPORATE GOVERNANCE

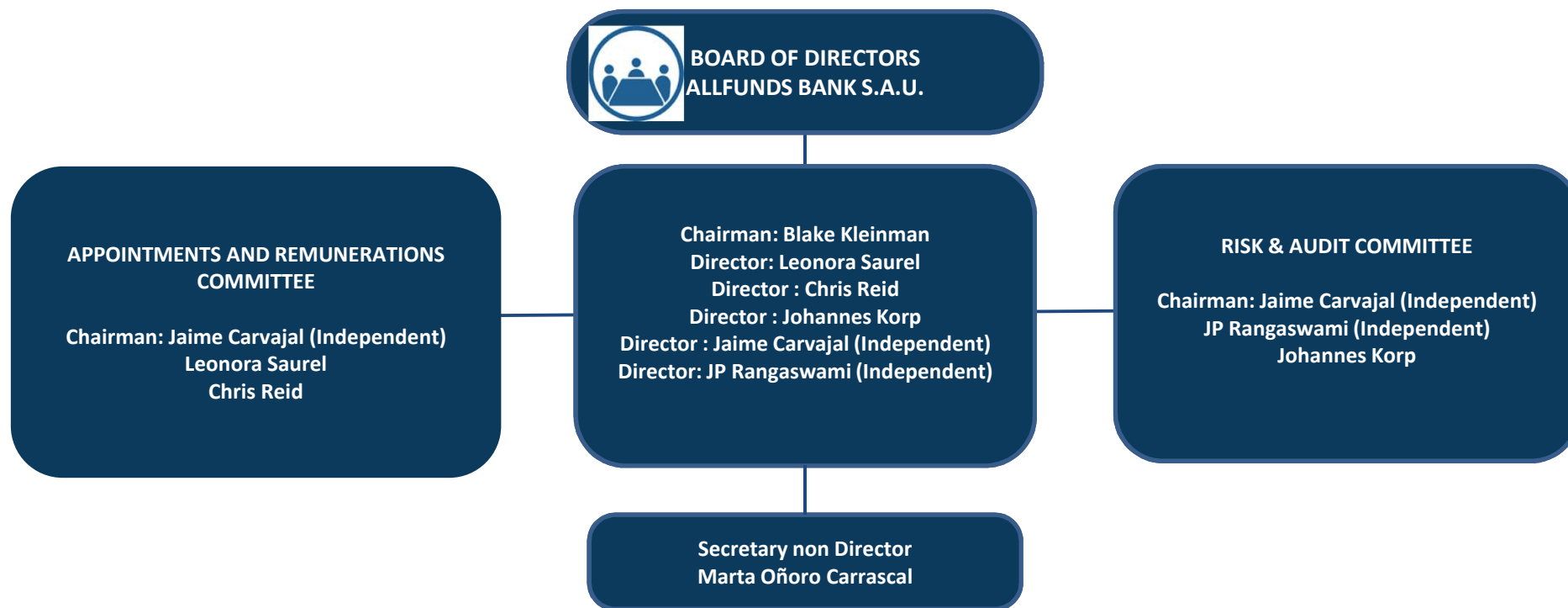
GLOBAL MANAGEMENT

BOARD OF DIRECTORS



CORPORATE GOVERNANCE

Board of Directors Allfunds Bank, S.A.U. , Appointments and Remunerations Committee and Risk & Audit Committee



The appointments of the Board of Directors and the General Manager and equivalent roles have been made with the positive report of the Appointments And Remunerations Committee. There is no Chief Executive Officer.

Remuneration of the Board of Directors

In 2018, the members of the Board of Directors who have received a remuneration in respect of salaries, by-law stipulated emoluments or attendance or subsistence allowances were Mrs. Laura Febbraro (5.870 euros corresponding to the second semester of 2017 until the resignation date, November 21, 2017), Mr. Mario Cuccia (45.000 euros in 2018 until the resignation date, November 6th, 2018) and Mr. Jaime Carvajal (39.175 euros from November 17, 2017 until September 30, 2018).

In 2018, the Directors did not receive any short-term remuneration, post-employment benefits, other long-term benefits, termination benefits or equity instrument based payments. Also, as of December 31st, 2018, ALLFUNDS BANK S.A.U had no post-employment benefit obligations with current or former Directors.

CORPORATE GOVERNANCE

MAIN TASKS OF THE COMMITTEE

APPOINTMENTS AND REMUNERATION COMMITTEE

Regarding appointments:

- Identify and recommend of candidates to fill vacant positions on the Board of Directors, with a view to the approval thereof by the Board of Directors or by the General Meeting. Any director may request the Appointments and Remuneration Committee to take into consideration potential candidates to fill vacancies if they find them to be appropriate.
- Establish a goal for representation by the less represented gender on the Board of Directors and prepare guidance on how to reach increase the number of persons of the less represented gender with a view to achieving this objective.
- Evaluate the balance of expertise, qualifications, diversity and experience of the Board of Directors and prepare a description of the faculties and aptitudes necessary for a specific appointment, assessing the dedication of time expected in carrying out the post.
- Periodically, and at least once per year, evaluate the structure, size, composition and activities of the Board of Directors, making recommendations with respect to possible changes.
- Periodically, and at least once per year, evaluate the suitability of the various members of the Board of Directors and the Board as a whole, and report to the Board of Directors as a result.
- Periodically review the policy of the Board of Directors regarding the selection and appointment of the members of senior management and make recommendations.
- Report on proposals for the appointment and separation of the members of senior management and the basic terms of their contracts.

Regarding remuneration:

- Propose to the Board of Directors decisions regarding remuneration, including those that have repercussions on the risk and risk management of the Company. In particular, it shall report on the general remuneration policy for members of the Board of Directors, senior executive vice presidents or similar positions and other members of the identified group (as this term is defined in applicable legal provisions), as well as individual remuneration and the other contractual terms of the members of the Board of Directors with executive duties, ensuring the observance thereof.
- Periodically, and at least once per year, evaluate the remuneration policies in order to verify that remuneration standards and procedures approved by the board of directors are complied with.

RISK AND AUDIT COMMITTEE

Regarding risks:

- Advise the Board of Directors on the Company's current and future overall propensity for risk and its strategy in this area, and assist it in monitoring the application of such strategy.
- Ensure that the policy on the prices for services offered to customers takes fully into account the institution's business model and risk strategy. Otherwise the Committee shall submit a correction plan to the Board of Directors.
- Together with the Board of Directors, determine the nature, the amount, the format and the frequency of information on risks that should be received by the Committee and by the Board of Directors.
- Collaborate on the establishment of rational remuneration policies and practices. For this purpose, the Committee shall examine whether the incentive policy provided for in the remuneration system takes into consideration risk, capital, liquidity and the probability and possibility of profits, without prejudice to the duties of the Appointments and Remuneration Committee.

Regarding audit:

- Monitor the effectiveness of the internal control, internal audit and risk management systems of the Company.
- Supervise the Company's external auditor.
- Propose the appointment, remuneration and removal of the auditor.
- Review and approve the scope and frequency of the audits and review the audit reports.
- Verify that the Board of Directors adopts in due time the corrective measures required to resolve deficiencies in internal control, violations of laws, regulations and policies, and other problems identified by the auditors.
- Monitor the establishment of accounting policies by the Company.

▶ CORPORATE GOVERNANCE

CONFLICTS OF INTEREST POLICY

1. Identification of potential conflicts of interest

ALLFUNDS BANK, S.A.U. offers to its clients a unique business model with regard to the Undertakings for Collective Investment which includes various investment services together with on-line tools of informative nature. The mentioned business model comprises the following areas:

- Automatic service for the reception and transmission of subscription and settlement orders of the Undertakings for Collective Investment through ALLFUNDS BANK, S.A.U. dealing on line system.
- Information services in relation to Undertakings for Collective Investment through a range of available tools in ALLFUNDS BANK, S.A.U. web site.
- Investment Research and Investment Solution Services in connection with Undertakings for Collective Investment

With regards to the reception and transmission of orders service provided by ALLFUNDS BANK, S.A.U. to its clients in relation to shares and units of Undertakings for Collective Investment, ALLFUNDS BANK, S.A.U. receives from the management companies or from the global distributors of the Undertakings for Collective Investment a fee or rebate or a separate intermediation fee out of the management and/or distribution fee which implies, in practice, a minor acquisition cost. ALLFUNDS BANK, S.A.U. pays all or part of these fees to its clients, retaining when applicable a small percentage of it as a consideration for the intermediation services in the subscription of the shares/units (unless it has agreed a separate intermediation fee for its services).

ALLFUNDS BANK, S.A.U.'s clients delegate in ALLFUNDS BANK, S.A.U. the faculty of dealing the fees with fund houses, due normally to the higher discounts that can be obtained as a consequence of the global volume intermediated. This implies a benefit for all its clients, that this way, can have access to a policy of global prices involving mayor fees which they could never have achieved if they had subscribed the shares/units directly or, at least, the same fees that they would have had access to but with the advantage of the unique model offered by ALLFUNDS BANK, S.A.U.

▶ CORPORATE GOVERNANCE

CONFLICTS OF INTEREST POLICY II

After the analysis of the different services rendered by ALLFUNDS BANK, S.A.U. to its clients, and in view of the demands of customized services from the clients, the only possible conflict of interest that could arise would be, with regard to the service of investment research to the clients through ALLFUNDS BANK, S.A.U.'s Investment Research & Investment Solutions Departments, providing a general recommendation on Undertakings for Collective Investment on the basis of quantitative and qualitative analysis. A conflict of interest might exist, as it is defined in article 23 of the Directive 2014/65 and within Section 3 of the Delegated Regulation 2017/565, in case that such research service would only generally recommend those Undertakings for Collective Investment with whom ALLFUNDS BANK S.A.U. has agreed a higher retrocession fee, and as a consequence, ALLFUNDS BANK, S.A.U. would receive a higher fee for the intermediation of orders service it fulfils.

As well, it is stipulated that any present received from the fund houses or global distributors is not considered as an incentive that could give rise to a conflict of interest if the amount of each present does not exceed 150 euros.

2. Procedures for the prevention and management of the conflicts of interest

In order to guarantee the treatment and prevention of possible conflicts of interest identified in the previous section, ALLFUNDS BANK, S.A. has implemented the following procedures:

- The fees agreed with the Management companies or the global distributors of the Undertakings for Collective Investment are exclusively negotiated by the Fund Groups Department.
- The Commercial Department agrees with ALLFUNDS BANK, S.A.U.'s clients the percentage of the gross fees agreed with the management companies or the global distributors of the Undertakings for Collective Investment that will be paid to the clients for the subscription of shares/units, where applicable.
- The aforementioned departments are physically and methodologically separated from the Investment Research and Investment Solutions Departments through the appropriate "Chinese walls": they have computer files that are only accessible for the personnel of those departments and the Investment Research and Investment Solutions departments are placed in a separate area with restricted access.

▶ CORPORATE GOVERNANCE

CONFLICTS OF INTEREST POLICY III

The Investment Research and Investment Solutions Departments prepare their research reports and related services on the basis of quantitative and qualitative analysis and without having any access to information on the fees received by ALLFUNDS BANK, S.A.U.


All these measures guarantee that the guidelines given by the Investment Research and Investment Solutions Departments to its clients are merely of objective and independence nature and are not, in any case, slanted or influenced with the percentage of the fees received by ALLFUNDS BANK, S.A.U. for its intermediation in the subscription orders of shares/units. The investment guidelines are given to a client in particular under the base of a series of criteria previously defined by the client and in no case does the Investment Research and Investment Solutions Departments have access to the information about the fees perceived by ALLFUNDS BANK, S.A.U. with regards to the Undertakings for Collective Investment recommended to the client. Once the Investment Research and Investment Solutions Departments have given the appropriate guidelines and the client has taken the corresponding decisions of investing in the recommended Undertakings for Collective Investment, the Department in charge of informing the client of the fees to be received for the subscription of such shares/units will be the Commercial Department.

3. Disclosure to the client of conflicts of interest that cannot be avoided

ALLFUNDS BANK, S.A.U. understands that, taking into account the potential conflicts of interest duly identified and the procedures established to prevent them, in principle, there would be no conflicts of interest which could not be avoided, as investment research services would not be rendered in any case on the basis of the fees to be received by ALLFUNDS BANK, S.A.U. as a consideration for the receipt and transmission of orders services. However, if a conflict of interest occurs that could not be avoided, such conflict would be communicated to the client prior to the rendering of the corresponding service.

Madrid, May 16th, 2019

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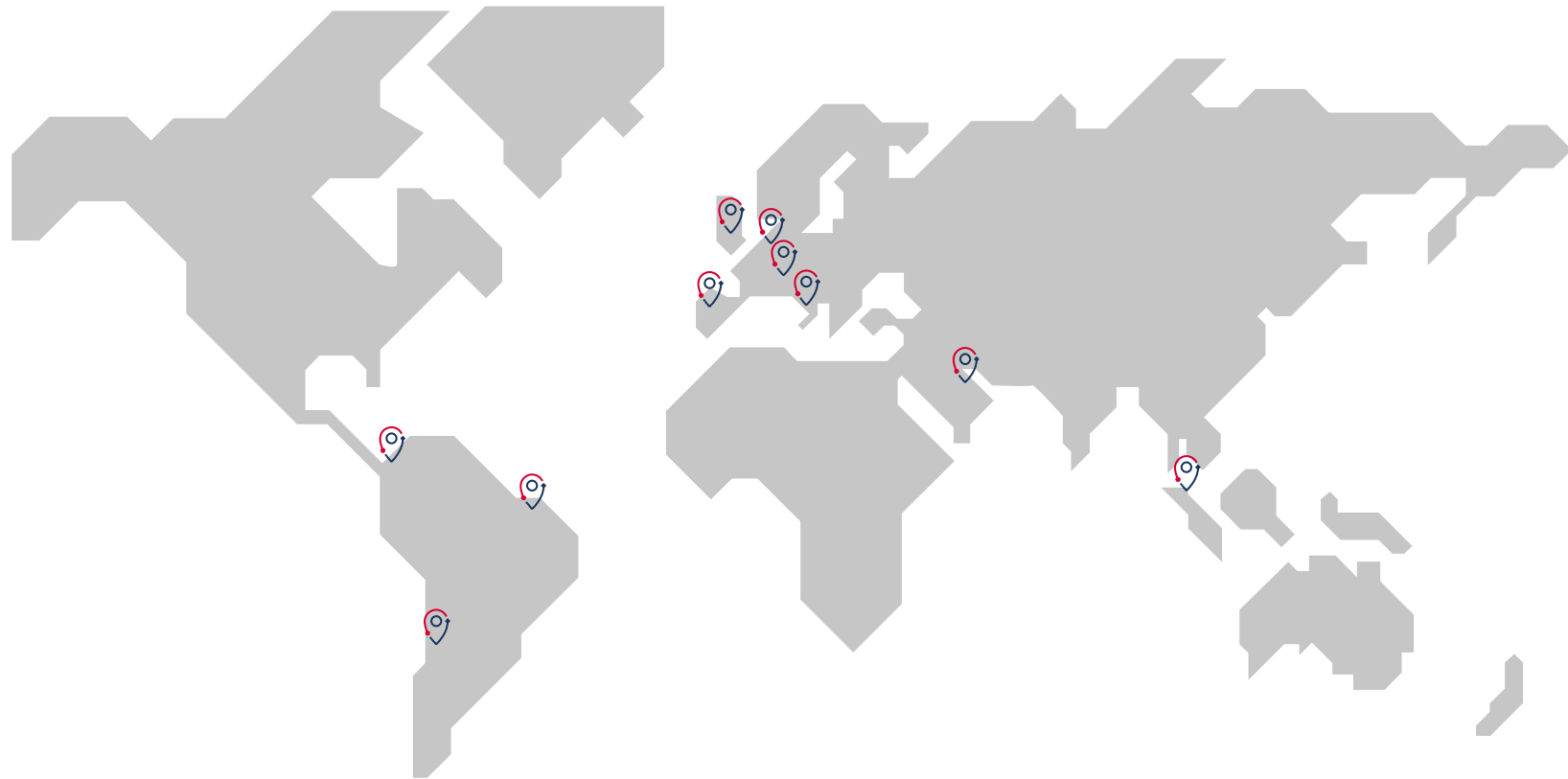
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► Global presence





Thank you.