

YOUNITED
Conflicts of Interests management
procedure

NOV2022 (v.6)

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1. Principles and implementation

1.1. Objectives

This procedure describes the framework and processes in place for detecting and managing conflicts of interest within Younited and its branches (Articles 313-18 to 313-23 of the General Regulation of the French Financial Markets Authority and the Practical Guidelines of the French Anti-Corruption Agency).

1.2. Definitions

An **interest** is defined as a benefit of any kind, whether tangible or intangible, professional, commercial, financial or personal.

A **conflict of interest** arises when there is an interference between a function performed in an organisation and a personal interest, and this interference influences or appears to influence the impartial and objective performance of the function. The risk is that personal interests may take precedence over the interests of the organisation, or of civil society, and may lead to acts of bribery, influence peddling or insider dealing, and expose the organisation to financial or reputational risks or to the risk of sanctions.

The interests of **Stakeholders** refer to the interests of all categories of persons who have ties with Younited, including clients, service providers, partners and branches.

1.3. Governance and updates

This Procedure must be validated by the Head of Compliance and Internal Control ("RCCI") and communicated to the Management Board before implementation. It will enter into force on the date of its publication. Its content is subject to update from time to time, and any changes must be made appropriately, for example in the event of a significant change in laws or internal requirements. Changes must be approved by the RCCI.

Once approved, the latest version of the Policy must be published and made available to all Employees.

1.4. Scope

This Procedure applies to all Younited Employees, both permanent and temporary and must be adapted locally, in France and in Younited's Branches and establishments abroad.

1.4.1. Employees

Each Employee must identify conflicts of interest to which they are or could be exposed by examining their ties with internal and external Stakeholders in accordance with this procedure, which is a part of a global framework. To do so, it is necessary to:

- Know the Code of Conduct (signed by all Employees) and comply with its rules;
- Comply with the applicable Gifts and Invitations Policy;
- Comply with the rules on outside work activities (see Section 2.1 "Identifying and reporting conflicts of interest").

An Employee is defined as any person who has signed an employment contract (permanent, fixed-term, temporary, work placement) or service contract that binds the parties with regards to the performance of determined tasks for Younited.

1.4.2. Branches

This Policy must be adapted locally, in France and in Younited's branches and establishments abroad. In cases where there are significant differences between the laws of these countries, the Procedure adopts the strictest standard, while recognising the primacy of local law.

In the event it is impossible to implement this procedure, in whole or in part, Central Compliance must be informed immediately.

A system for reporting conflicts of interest locally must be set up by the local Compliance departments, which will manage conflict of interest situations, including in collaboration with Central Compliance depending on their complexity.

1.4.3. Self-disclosure by Management, ComEx members and directors

Younited's Officers, Executive Committee (ExCom) members and directors must avoid any situation that could generate a conflict between their interests and the interests of Younited.

For this purpose, **each year, they must disclose to the Compliance department all offices they held or to be held during the year and any potential conflicts of interest with Younited.** In addition, any change in their situation during the year must be promptly reported to Younited's General Secretariat and Central Compliance, using the disclosure form (Appendix 3).

2. Managing conflicts of interest

2.1. Identifying and reporting conflicts of interest

When should conflicts of interest be identified?

A conflict of interest may be identified:

- When the conflict has not yet occurred, in which case it is a **potential conflict**.
- When the conflict exists and has not been avoided, in which case it is an **actual conflict**.

Each Employee is in a position to identify potential or actual conflicts of interest with regard to Stakeholders and to report the information in accordance with the procedures described below.

How can conflicts of interest be identified?

Employees must determine whether there exists a personal interest in connection with any Stakeholder. A conflict of interest may concern business, financial or personal interests, or the interests of two Stakeholders.

- **Business interests:** This is a situation in which an Employee performs or wishes to perform an outside activity, in addition to their work for Younited, which may generate a conflict of interest (plurality of positions). Persons close to Employees are also concerned if:
 - o A person close to an Employee holds a position that competes with Younited's business activities and the Employee is aware of information concerning the business, processes or any other information protected by professional confidentiality, the disclosure of which could be detrimental to Younited's interests;
 - o A person close to an Employee holds a position within a potential acquisition or merger target.
- **Financial interests:** This corresponds to the situation in which an Employee has a financial interest in a structure that may conflict with the interests of Younited or its clients:
 - o A stake in the share capital of a potential client/service provider/partner;
 - o A stake in the share capital of a potential acquisition or merger target.

- **Personal interests:** This includes other situations in which personal motivations, other than financial or business motivations, could conflict with the interests of Younited or any of its Stakeholders (such as a commitment to an association).
- **Conflict of interest between two clients:** in connection with investment services, conflicts of interest may arise between two investor clients and create a risk that one of the parties may be disadvantaged or that clients may be treated differently for reasons that are not objective or usual. If such cases arise, clients must be informed (see Section 2.2. “Managing conflicts of interest”).

Examples of conflicts of interest

- An employee who is responsible for filling a job hires a candidate with whom they have a family relationship;
- Choosing a sales service provider based on close personal relationships or family ties with the officers/sales staff of the service provider in question;
- Accepting gifts, invitations and trips from intermediaries/business partners that may influence the final choice of intermediary/service provider;
- Encouraging a client to sign up for new products to increase the variable component of remuneration and without regards for the client’s needs;
- Holding shares in a future acquisition or merger target of Younited;
- Holding confidential or inside information about a client or partner of Younited and using it for one’s own interests.

What to do if a conflict of interest is identified:

Employees must report all conflicts of interest, regardless of their nature. Firstly, Employees must promptly inform their immediate supervisor. In addition, Employees who work for:

- **A central function** Employee must report the potential or actual conflict to central Compliance at the following address: compliance@younited.com, and include all information known to the Employee on the matter (date, stakeholders involved, etc.). At a minimum, the information listed in Appendix 2 must be provided.
- **A Branch¹** Employee must report a potential or actual conflict to local Compliance using the method defined locally, and include all information known to the employee on the matter (date, stakeholders involved, etc.)

Point to keep in mind:

- Failure to report a conflict of interest may result in disciplinary sanctions for non-compliance with the Code of Conduct and the Internal Rules and Regulations.

2.2. Managing conflicts of interest

Information reported to Central or Local Compliance will be analysed in order to assess the causes and consequences of the conflict of interest situation and to implement an appropriate action plan.

If Compliance deems that a conflict of interest cannot be resolved, or that the measures taken cannot reasonably guarantee that the risk of harming the interests of Stakeholders will be avoided:

- It will first seek all preventive means for resolving the conflict and, in particular, may request the relevant operational staff to **decline the operation or transaction.**

¹ Spain, Italy and Portugal. At the date of this procedure, Employees of the France BU submit reports to compliance@younited.com.

- It will inform the Stakeholders if necessary. If investment services are provided, such information is mandatory and must be provided on a durable medium and be sufficiently detailed² to enable the Stakeholder to make an informed decision on the subject of the conflict of interest.

Central Compliance maintains a register of conflicts of interest in order to:

- Keep a record of all information relating to potential **and** actual conflicts of interest.
- Establish an appropriate action plan.

Documents relating to conflicts of interest (reports and register) are archived by Compliance for a period of five years from the date of the analysis.

3. Prevention system and control framework

Younited has set up a system to prevent conflicts of interest that may harm the interests of Stakeholders and/or Younited.

3.1. Prevention system

3.1.1. Procedural corpus in place

This procedural corpus, which is available to all Employees and is updated periodically, defines the rules to be followed with regards to conflicts of interest:

- The **Code of Conduct** and Internal Rules are Regulations are provided to all new Employees when they join the group. Each Employee must read and sign them.
- The **Gifts and Invitations Policy**, which sets out the rules to be followed to avoid situations of conflict of interest.
- The **Remuneration Policy**, which governs the remuneration of relevant Employees.
- **Operating Procedures** which establish the procedures for carrying out certain transactions and their governance (order placement, governance of investment products, etc.).

3.1.2. Mapping of conflict of interest risks

The risk assessment methodology (see Appendix 1) identifies all potential or actual conflict situations in relation to Younited's activities and defines the preventive measures implemented. This mapping is established by Central Compliance with the assistance of the local compliance officers and operational managers. It is updated at least once a year and when significant events occur, such as:

- an employee reports a conflict of interest that is not included in the risk map;
- the launch of a new product, partnership or activity;
- changes to internal processes.

3.1.3. Segregation of duties and activities

In accordance with the French Order of 3 November 2014, Younited segregates tasks and activities that have been identified as likely to generate conflicts of interest or insider dealing (see Market Abuse Procedure). The purpose of this segregation of duties is to:

- Make activities that may generate a conflict of interest independent;

² Article L533-10(II)(3°) of the French Monetary and Financial Code.

- Restrict the disclosure of sensitive information to certain employees on a need-to-know basis. This principle consists of disclosing confidential or inside information **only to those persons who are absolutely required to know it in order to perform their duties at Younited**, including with respect to the branches.

Point to keep in mind:

The segregation of duties is also applied when an employee is temporarily seconded to a Younited branch. This situation must be reported to Central Compliance if it is established that a conflict of interest may arise to ensure appropriate action is taken.

3.1.4. Prohibited transactions for Younited Employees

To prevent potential conflicts of interest, Employees are not allowed to apply for a consumer loan at Younited unless local country regulations allow it or by exception, with the agreement of the country managers, Compliance and Human Resources functions. "Younited Pay" credits distributed by partner merchants are not prohibited.

In the event that a close relative or related party of an Employee (family, spouse or any other personal or professional relationship) applies for credit from Younited, the Employee must withdraw from the management of the file due to their personal, professional or financial relationship, which could influence the final decision.

Furthermore, as specified in the "Market Abuse" procedure, Associates may not open new Investor accounts (i.e. invest for the first time in Younited FCTs) since November 2022.

3.1.5. Employee training

Younited provides all Employees with training on the conflict of interest management framework at least once a year.

3.2. Control framework

Central Compliance is responsible for defining and implementing the conflict of interest management process. In the Branches, this is the responsibility of local Compliance. Executive management and the relevant bodies are informed of any conflicts of interest identified.

Compliance with this procedure is ensured by the internal and periodic control functions.

Appendix 1 - Risk assessment methodology (mapping)

Gross risk level <i>Before implementation of preventive measures</i>	Risk of conflict occurring <i>Before implementation of preventive measures</i>	Risk of conflict occurring <i>After implementation of preventive measures</i>	Residual risk level <i>After implementation of preventive measures</i>	Efficacy of preventive measures	Details
1. Low	Unlikely	Highly unlikely	1. Low	Controlled	System satisfactory: - Existence of formalised, detailed and complete rules and/or procedures; - Existence of regular controls.
2. Medium	Likely	Highly unlikely	1. Low	Controlled	System satisfactory: - Existence of formalised, detailed and complete rules and/or procedures; - Existence of regular controls.
2. Medium	Likely	Likely	2. Medium	Acceptable	System partially satisfactory: - Existence of formalised, detailed but incomplete rules and/or procedures; - Existence of pertinent but inadequately formalised and/or irregular controls.
3. High	Highly likely	Highly unlikely	1. Low	Controlled	System satisfactory: - Existence of formalised, detailed and complete rules and/or procedures; - Existence of regular controls.
3. High	Highly likely	Likely	2. Medium	Acceptable	System partially satisfactory: - Existence of formalised, detailed but incomplete rules and/or procedures; - Existence of pertinent but inadequately formalised and/or irregular controls.
3. High	Highly likely	Highly likely	3. High	Inadequate	System unsatisfactory: - Lack of formalised rules and/or procedures; - Weak controls or no controls.

The **gross risk** is assessed on the basis of the scores attributed to two criteria:

- The probability of the risk occurring;
- The severity of the risk.

The **residual risk** is assessed on the basis of the scores attributed to three criteria:

- The probability of the risk occurring;
- The severity of the risk;
- The existence of risk mitigation measures.

The **residual risk level** is often established by an expert, taking into account:

- The existence of preventive measures to mitigate the risk;
- The proper application of preventive measures;
- The probability of occurrence of the conflict of interest situation after the implementation of preventive measures.

Appendix 2 - Conflict of interest disclosure template

I, the undersigned [XXX], hereby report that, after having read the Conflict of Interest Management Procedure, I believe that I have an actual, potential or apparent conflict of interest for the following reasons:

- Summary of the conflict

Examples of details to be provided in the “conflict of interest report”, depending on the situation:

- Date identified
- Names of third parties concerned and relationship between the reporting party and such persons
- Details of benefits that may be generated as a result of the interest (e.g. property rights, shares, fees, financial compensation, etc.)
- Names of persons close to the reporting party, their relationship to such persons, and the general nature of any involvement of such persons (if it is necessary to provide this information, the law requires that it be provided directly by that person)
- The nature of the reporting party’s activities consisting in providing professional advice or services (including membership on a board of directors, management board or other board) and the remuneration for such activities

Appendix 3 - Corporate offices disclosure form

