



Conflicts of Interest

Internal Policy

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1 POLICY REQUIREMENT AND PURPOSE

The purpose of this policy is the proper identification of circumstances that could generate an actual or a potential relevant conflict of interest (**COI**) on the basis on current regulatory framework and market *best practice*.

2 APPLICABILITY AND SCOPE

Conflict of Interest refers to any matter involving the Bank, its Relevant Personnel and/or Stakeholders, where either the Bank or an Employee is in a position to exploit a professional or official capacity in some way to obtain an undue advantage, for either Bank or personal benefit (also potentially to the detriment of the Bank) damaging one or more customer or groups of Stakeholders.

A COI exists even if there is only the potential for the appearance of impropriety, even if no unethical or improper act results.

This Rule describes the following COI situations:

1. **Conflicts in the provision of investment services and activities.** COIs regulated by MIFID II Directive (so called “MiFID Conflicts”) and COIs arising from the jointly provision of MIFID II services and/or activities and banking activity (i.e “Business COI”):
 - **MiFID Conflicts** involve Group customers and investment services and activities falling under MiFID II Directive. For example when the Group: (i) grants relevant financing to a company and at the same time distributes financial instruments issued by the same company (ii) places a financial instrument of a third-party issuer and receives inducement from it;
 - **Business COI** are situations in which two customers’ interests or one customer’s interest and a Bank interest are in conflict with each other and may generate a regulatory breach or reputation risks for the Bank or a breach of contractual agreements undersigned by the Bank. Business COI could arise, for example, during a corporate finance mandate, if the Bank is approached by two different clients for advice or project finance services on the same company¹.
2. **Conflicts in the Distribution of insurance products.** Distributor of insurance products must act without prejudice to the customers, avoiding any detrimental impact on the quality of the relevant service to customers and ensuring that any customer is adequately informed. Therefore, before entering in a distribution agreement for insurance products, each Company has to check the related conditions and measures.
3. **Conflicts related to the issuance of financial instruments.** COI arising from the double role of the Group LE issuing financial instruments (certificates of deposit included) and providing banking and/or investment services or activities. Therefore, all the COI need to be identified and properly managed/disclosed in order to grant full and clear information to third parties.

¹ Business COI arise in in general to all Bank structures dedicated to Corporate clients that negotiate with customer and performing mainly services such as, for example:

- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings (Mifid ancillary services);
- Finance activity to clients such as acquisition, leverage or project finance, debt/equity capital market transactions;
- Proprietary principal investment/disinvestment activities (debt to equity transactions included).

4. **Conflicts arising from the administration and/or contribution to financial benchmark:** all existing or potential conflicts of interest including, but not limited to, the director exposure or calculation of financial benchmark, need to be identified, properly managed and recorded.
5. **Conflicts arising from the provision of investment recommendations.** All relationships and/or circumstances that may reasonably be expected to impair the objectivity of the investment recommendation including interests and conflicts of interest (concerning the financial instruments or issuers to which an investment recommendation relates to), of any employee involved in its preparation need to be identified, registered and always disclosed. These provisions are referred to both the provision and/or the dissemination of investment recommendations.
6. **Conflicts arising from banking activities and services,** COI arising from banking activities and/or services carried out by the Group e.g. i) conflict arising towards a person of the Combined Perimeter²: for example in case of provision of banking services or activities to a Group Corporate Body member, ii) conflicts relating to owning shareholdings and/or equity indirect investments in non-financial companies: for example in case in the case of a significant investment by a business line of the Group and the simultaneous presence of a significant financing transaction to the same company granted by another business line of the Group
7. **Conflicts arising from employees' personal business interests ("Outside Business Interest" - OBI).** COI arising from interests in businesses that are not directly associated with the employment relationship with a UC Group entity e.g. when an Employee has a material interest in a supplier of the Group and is also involved in the Group's procurement decisions.
8. **Organizational conflicts.** Conflicts arising if the same employee is appointed in more than one relevant role or in case of organizational chart changes or for aspects related to the responsibilities assigned to the structures.
9. **Conflicts arising from assignment of services and activities to external professionals and/or suppliers** (including outsourcing).

The Group treats customers fairly and equally, both when advising them and when dealing on their behalf. Where Relevant Personnel are aware that they (or the Group) have a material interest (other than standard commercial relationships with clients) which could influence their relations with clients, Relevant Personnel must act in the interests of the client and any other interest must be disregarded.

If a conflict of interest cannot be managed under this Policy, then the conflict of interest must be avoided by, for example, declining to participate in the proposed transaction/activity.

In the professional performance of their respective duties, all UniCredit employees must pay attention to compliance with COI regulations and, in case of doubt, promptly refer to the Local COI Referent for clarification.

3 MINIMUM GOVERNANCE REQUIREMENTS

Group COI Referent (ABC, L.D. 231/01, WB & COI Advisory) is responsible to ensure the robustness of the Group model for the Conflicts of Interest management and to update it, with the support of other Holding functions (for example P&C and Business functions) and Local Compliance functions in every Legal Entities/Foreign Branches.

² For further details please refer to UCB LEG-49 Liabilities of UniCredit Bulbank AD for the Fulfillment of the Group Requirements for Management of Related Party Transactions.

The processes related to management of Conflicts of Interest cases are described in IBR COM 62-2: Definition of basic principles and rules for disclosure and management of conflicts of interest through the SIA-Eagle group IT application.

	Minimum Requirements	Owner
Identification of Events/activities pertaining to the Group that could generate conflicts of interest	The mapping is carried out by identifying all possible Events ("Events") that could generate a Conflict of Interest based on the services and activities that the Group and the Group Legal Entities (hereafter Legal Entities/ LEs) provide to customers.	Group COI Referent
Identification of the types of conflicts of interest as classified by the Group	Group COI Referent identifies the different types of Conflict of Interest on the basis of the categories defined in section 3.1 below.	Group COI Referent
Identification both of the related organizational measures suitable to mitigate/neutralize the various relevant types of conflicts of interest and of the behaviors to be implemented (e.g. disclosure and/or management of conflict)	<p>The Group COI Referent defines the Group's standard organizational measures³ for managing potential Conflicts of Interest identified and summarized in the Conflict of Interest Matrix (COI Matrix)⁴.</p> <p>The COI Matrix: is the excel file that lists all the Events. Each Event is associated with the relevant Group standard organizational measures deemed effective for their management.</p> <p>The COI Matrix also highlights the Structures involved in managing the various types of conflict.</p>	Group COI Referent
Customization of the COI management Group model and COI Matrix at Company/Foreign Branch level	<p>UniCredit Bulbank must accurately customize the relevant COI Matrix according to the services/activities provided, identifying all possible Events.</p> <p>For each Event, the following elements must be identified:</p> <ul style="list-style-type: none"> - the unit where the Event may occur and its personnel ("Event Owner"); - the function responsible for entering the Event in the IT Tool (Sia Eagle) and the relevant personnel ("Event Focal Point"). <p>The Group COI Referent supports the Bank in the definition and validation of organizational measures implemented/to be implemented.</p>	General Compliance

³ In order to avoid or at least reduce the risk of harming customers' interests, the Bank has implemented appropriate organizational measures/interventions to mitigate/eliminate the various possible conflicts of interest identified as described in COI Matrix (e.g. definition of the organizational structure, implementation of Group Rules and/or other specific internal regulations, formalization of specific processes and/or functions dedicated to managing conflicts of interest).

⁴ For further details please refer to IBR COM 62-2: Definition of basic principles and rules for disclosure and management of conflicts of interest through the SIA-Eagle group IT application.

	<p>UniCredit Bulbank shall assess and implement Global Policy in accordance with applicable local law and the related COI Matrix, customizing them based on the activities performed. A specific NBO must be requested, when necessary, from the Group COI Referent through a dedicated tool (GRETEL Tool)⁵.</p> <p>The documents, approved by Holding Company, related to the NBO request, its outcomes and the local COI Matrix shall be stored and made available to the Structures/Regulators that will request for the relevant checks (Genera; Compliance/Internal Audit, etc.).</p> <p>The local COI Matrix must be completed in all fields, identifying the Structures that are responsible for the individual activities. Any changes to the COI Matrix (e.g. new events, changes in mitigation measures, COI scenario, ex...) have to be agreed, in advance and approved by the <i>Group COI Referent</i>.</p>	
Updating the IT Tool (Sia-Eagle)⁶	<p>Once the Group COI Referent has validated the COI Matrix at local level the Bank it informs the Group Compliance Tool Business Administrator to align the IT system (Sia Eagle)⁷.</p> <p>Changes required by the Bank in terms of configuration in Sia Eagle are in charge to the Group function: Compliance Innovation and Tools Management (as Group Compliance Tool Business Administrator)</p>	<p>Group COI Referent</p> <p>Group Compliance Tool Business Administrator</p>
Record-keeping of COI	<p>The Bank adopted the tool Sia Eagle⁸, which is the system for the registration and control of Events, for the subsequent detection of COI (if any).</p> <p>Each employee of the Bank The Bank is required to promptly update the register of potential and actual conflicts of interest using the dedicated IT tool (Sia Eagle).</p> <p>General Compliance function is responsible for assessing each Event ("Conflict Owner") confirming it and defining the relevant actions.</p>	<p>Group COI Referent</p> <p>General Compliance</p>
Identification, prevention, management and disclosure of conflicts of interest	<p>The Bank must implement process and procedures for assessing on ongoing basis the measures adopted to identify, avoid, manage and mitigate COI impacts according to the provided services and activities.</p>	<p>General Compliance</p>

⁵ Following the NBO – calibration process.

⁶ This activity must be carried out both during the first validation of the local COI Matrix and in all cases when the COI Matrix will be updated

⁷ SIA Eagle is the Group-wide IT Tool that enables the IT management of the COI process and also serves as the Official Register and Archive. The Bank is responsible for the entry, automatic and/or manual (through data entry devices), of data determined by its own activity

⁸ For any technical request regarding the Sia Eagle IT Tool, please send a specific request to: ClientSolComplianceTOOL@unicredit.eu

	<p>According to this Policy, the Bank has to formalize and implement an escalation process in case the organizational measures are not sufficient either to prevent damages for customers, or to ensure them better protection. Such process should take into consideration:</p> <ul style="list-style-type: none"> • structures to be involved in the process • the identification of the types of COI requiring a managerial decision; • the formalization of specific escalation processes. <p>In case the measures to prevent COI from adversely affecting the interest of clients are not sufficient to ensure, with reasonable confidence, that risks of damage to client interests will be prevented, before undertaking business on their behalf, the Bank shall clearly disclose to clients the general nature and/or sources of COI, as well as the steps taken to mitigate those risks.</p> <p>Based on applicable laws, the Bank must define which COIs require disclosure to customers, as well as the appropriate wording of the communication for such disclosure. In particular, for investment services, the disclosure to the client of the specific COI situation in the context of a given transaction is quite exceptional and, apart from cases in which it is expressly imposed by a regulatory provision, should only be activated when the COI management solutions in place do not guarantee with reasonable certainty that the risk can be avoided.</p> <p>The disclosure of a COI to a customer does not exempt the Bank from its duty to enforce and ensure efficient organizational measures to manage it.</p> <p>The most appropriate disclosure will be determined case by case depending on i) type of activity and/or service provided; ii) the nature of the COI; iii) the reciprocal level of knowledge and experience of involved parties; iv) all the regulations in force.</p>	
<p>Controls</p>	<p>The structure of ABC, L.D. 231/01, WB & COI Advisory is responsible for verifying the soundness of the model for the management of COIs at Group level.</p> <p>To ensure compliance with this regulation, the First Line of Defense (“1st LoD”)⁹ must oversee the relevant aspects for the following processes related to:</p>	<p>Group COI Referent</p> <p>Conduct Risk Oversight, RA, 2LCs</p>

⁹ The 1st LoD is represented by all the functions directly involved in the process execution, that mainly have in charge the activities and the associated controls (or part of them) and all the connected risks.

	<ul style="list-style-type: none"> • investment services and activities • distribution of insurance products • issuance of financial instruments • conflicts arising from the administration and/or contribution to financial benchmark • conflicts arising from the provision of investment recommendations. • conflicts arising from banking activities and services • conflicts arising from employees' personal outside business interests (OBI), • organizational conflicts • conflicts arising from assignment of services and activities to external professionals and suppliers <p>General Compliance has the responsibility to verify the effectiveness of organisational measures and monitor their adequacy on an ongoing basis, also on the basis of the evidence of the Compliance Risk Assessment and second-level controls.</p>	<p><i>General Compliance</i></p> <p><i>1st LoD</i></p>
Conflict of Interest Training	<p>Training is an essential element for implementing and enforcing this Rule. The Group undertakes to provide up to date mandatory training on conflicts of interest to all Employees which outlines the relevant procedures to be followed and the potential consequences should any misconduct occurs.</p>	<p>Group COI Referent</p> <p>General Compliance</p>

3.1 Main Conflict of Interest cases

3.1.1 Conflicts of interest in the provision of investment services and activities

3.1.1.1 MIFID Conflicts

The Bank providing investment services and activities¹⁰ are required to map potential and/or actual conflicts of interest and to identify the measures aimed at managing those conflicts, where possible.

Being the identification of COI an ongoing process, each the Bank has to implement proper organizational measures granting such a continuous review and monitoring their updating.

As UniCredit Bulbank provides investment services, the Bank must provide/publish on its website a synthetic description of its Conflicts of Interest Policy. Moreover, at any time that the client requests further details, it must provide them using a permanent support or the website.

The Conflict of Interest Policy shall be updated/reviewed at least on a yearly basis by General Compliance. The annual reviews will be done and catalogued properly by Compliance with together with the documentation of the assessments of all conflicts affecting the Legal Entity.

General Compliance must provide senior management a report on COI at least annually.

According to MiFID II regulations, the disclosure to the customer, within the context of a transaction, on the specific situation of conflict is a residual measure to be only actionable when the conflict of

¹⁰ As defined by MiFID II Directive on markets in financial instruments n. 2014/65

interest management measures put in place do not ensure with reasonable certainty that the risk that the situation may cause a damage to the customers can be avoided.

It is however mandatory to provide disclosure to the client of COI situations, pursuant to the 'Regulation of Public Offers'¹¹.

The activities are subject to ex-ante controls (e.g. Product Committee or when a new product is launched) and ex-post controls.

3.1.1.2 MIFID II Conflicts – Additional Requirements

1) Additional general requirements in relation to underwriting or placing

UniCredit Bulbank as a legal entity part of UniCredit Group that provides advice on corporate finance strategy and underwriting or placing of financial instruments, is required to implement additional procedures to prevent or manage COI that may arise where they place the relevant financial instruments with their clients or with the Group proprietary book.

In case that a conflict of interest cannot be properly managed by implementing appropriate procedures, UniCredit Bulbank or its employees shall not engage in the operation or agreement.

UniCredit Bulbank shall perform detailed evaluations where any previous lending or credit to the issuer-client by any Group Company may be used for being repaid with the proceeds of an issue (so called “use of Proceeds”).

2) Additional requirements in relation to pricing of offerings in relation to issuance of financial instruments

In case that UniCredit Bulbank is involved in the pricing of new issues of financial instruments must have in place procedures, systems and controls to identify and prevent or manage COI arising from possible underpricing or over-pricing of an issue or from the involvement of significant parties in the process, following the indications on the organizational measures set out in the related Rule (i.e. Pricing Policy).

3) Additional requirements in relation to placing in relation to advice, distribution and placement of (also) own instruments

The Bank placing financial instruments of their own issuance, issued by Group Legal Entities or third parties (including customer-issuers supported by the Group Legal Entities in the organization and management of placement activities) shall establish, implement and maintain effective process and procedures to prevent recommendations on placing from being inappropriately influenced by conflict of interest linked to the issuance, or by any existing or future relationships.

The Bank cannot accept any third-party payments or benefits unless such payments or benefits comply with the inducement’s requirements laid down by MiFID II. As an example, the Bank can receive justified inducements by offering advisory services (in particular on a wide range of products/instruments offered) confirming at the same time the adequacy of the product sold to the customer.

¹¹ Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/

The management of conflicts of interest (which may also arise from inducements received) relies (also) on the 'blocking' value of the adequacy¹²: a conflict-of-interest transaction is allowed only if it is adequate for the client.

Blocking condition is currently applied for specific investment services and/or on certain financial instruments (e.g. when the Group is both issuer and placer of bonds and certificates).

As far as the placement activities carried out for customer issuers, the Bank are in any case required to implement process and procedures to avoid an allocation:

- made to incentive the payment of disproportionately high fees for unrelated services provided ('laddering');
- made to a senior executive or a corporate officer of an existing or potential issuer client, in consideration for the future or past award of corporate finance business ('spinning');
- that is expressly or implicitly conditional on the receipt of future orders or the purchase of any other service from the Group Company, or any entity of which the investor is a corporate officer.

4) Additional requirements in relation to manufacturing financial instruments

UniCredit Bulbank must implement and maintain procedures and measures to ensure the manufacturing of financial instruments complies with the requirements on proper management of COI, including remuneration.

In particular, UniCredit Bulbank as a Legal Entity part of the Group, which is manufacturing financial instruments must implement a process to ensure that ad hoc analysis of potential COI is performed to avoid that final clients are adversely affected if they take on an exposure opposite to that previously held by the Bank or that which the Bank want to hold after the sale of the investment product.

5) Business COI

Business Conflicts are COI related also to the provision of investment services that arise within the Group Client Solutions, Wealth and Large Corporates and Network's structures dedicated to corporate customers. The services impacted are the following:

- Capital market operations (e.g. equity capital markets, debt capital markets¹³)
- advice to firms (e.g. concerning capital structure, industrial strategy and related matters);
- advice and services relating to mergers and acquisitions of companies (including fairness opinions and letters of intent);
- some financing activities¹⁴ such as leverage, structured and project finance (e.g. revolving credit facilities, syndicated loans, term loans, bilateral loans, requests for amendments to commitments contained in loan agreements); and
- strategic activities or initiatives of the Group with external counterparts (e.g. M&A owner strategic business partnerships); and
- principal investment activities (including acquisition and disinvestment of shareholdings) as well as debt-to-equity-swap transactions.

¹² When consistent with the service model adopted by each Legal Entity

¹³ Debt capital market operations concerning the issuer included in "Frequent Issuer List" are subject to annual assessment by the relevant General compliance, and not for single transaction.

¹⁴ With the exclusion of those financing or refinancing activities (e.g., Revolving Credit Facilities, Syndicated Loans, Term Loans, Bilateral Loans, Waivers or Amendments and Consent to Credit Agreements, etc.) whose loan proceeds are intended to be used exclusively for general corporate purpose and for which the Business Conflicts due diligence shall not be performed. For the avoidance of doubt, loan proceeds that are intended to e. g. support acquisitions do not fall under "general corporate purpose". In such cases the ordinary Business Conflicts of interest due diligence applies

The Business Conflict checks shall be performed also in case of clients, potentially involving corporate targets on which UniCredit Bulbank or other Company from the Group might have already relationships.

The Bank must implement processes and procedures to identify in advance conflicts of interest and will make use of the Organizational Measures identified to prevent or manage the conflicts properly. Such measures include the disclosure to the customer, for example adding a specific clause to the mandate, relying on the pertinent Legal function in case of need.

3.1.2 Conflicts in the distribution of insurance products

The Bank acting as insurance intermediaries (with reference to all the insurance products, therefore both insurance based investment products (IBIPs)¹⁵ and non-IBIPs) must implement process and procedures to ensure that in good time before the conclusion of an insurance contract, clients receive all the information on conflicts of interest and transparency required by the related regulatory framework.

In addition, the Bank that, acting as insurance intermediaries, distribute insurance-based investment products, shall maintain and operate effective organizational and administrative arrangements granting to taking all reasonable steps aimed to prevent conflicts of interest from adversely affecting the interests of their final clients. Those arrangements shall be proportionate to the activities performed, to the insurance products sold and to the type of the distributor.

When the distribution of insurance investment products to customers is carried out together with investment services (for example, in force to the provision of an advisory service concerning a client portfolio consisting of both IBIPs and financial instruments), The Bank - also with reference to the insurance distribution business – follows the principles described in the paragraph 3.1.1.2 [(3) Additional requirements in relation to placing in relation to advice, distribution and placement of (also) own instruments].

3.1.3 Conflicts related to the issuance of financial instruments

UniCredit Bulbank as part of UniCredit Group and a LE that issues financial instruments is required to implement process and procedures to grant both an extensive disclosure regarding members of administrative, management and supervisory bodies, including description of any COI. Such analysis should be performed by General Compliance in cooperation with the Legal department.

3.1.4 Conflicts arising from the administration and/or contribution to a financial benchmark

UniCredit Bulbank acting as administrator or contributor of a benchmark is required to have in place appropriate governance arrangements and controls to avoid COI.

UniCredit Bulbank acting as contributors is subject to COI due to discretion exercised in the determination of input data, therefore they must implement processes and procedures to ensure that those conflicts are managed and that the input data is accurate, consistent with the administrator's requirements and can be validated.

To this purpose, the employees of UniCredit Bulbank are required to periodically verify, adequate processes (e.g. internal arrangements and Chinese walls) to grant the necessary independence of the contributions.

¹⁵ IBIPs: Insurance Based Investments Products

3.1.5 Conflicts arising from the provision of investment recommendations

UniCredit Bulbank producing or providing investment recommendations must ensure information is objectively presented and to disclose any COI.

To that purpose, UniCredit Bulbank must implement ad hoc policies and procedures preventing any unlawful use of investment recommendation and disclosing any conflict of interest at Group level according to the *UCB COM-97-2-Investment Recommendations and Investment Research*.

3.1.6 Conflicts arising from banking activities and services

UniCredit Bulbank must implement proper processes and procedures in accordance with the criteria of sound and prudent management defined by UniCredit, to protect against the risk of compromising the objectivity and impartiality of credit decisions of the Bank and other transactions involving persons where the Group has a significant shareholding or involving persons close to decision-making centers of the Group.

In particular UniCredit Bulbank must implement processes to identify and manage potential COI arising in the following cases:

- risk activities and conflicts of interest with Associated Persons
- conflicts of interest and definition of rules for the governing of the obligations with Corporate Officers
- conflicts of interest and definition of rules for the governing of transactions with Related Parties
- conflicts of interest related to acquisition and disposal of shareholdings in non-financial firms and in equity indirect investments

Further standards, related to the identification of related persons in the combined perimeter and the management of such transactions are described in the UCB LEG-49 "Obligations of UniCredit Bulbank" AD for the Fulfillment of the Group Requirements for Management of Related Party Transactions, and in the related implementation within Group Companies

3.1.6.1 Conflicts relating to shareholdings owned in non-financial companies and equity indirect investments

The Bank must implement proper processes and procedures, in accordance with the criteria defined by UniCredit Group, for identifying potential COI between equity investment activities in non-financial firms and other banking activities, in particular to grant of loans. Such organizational measures need to be able to prevent or mitigate the risk that:

- decisions related to the granting of credit or to other transactions with a non-financial firm are conditioned by the fact that the same or another LE holds a qualified equity interest in the same firm; or
- the choices concerning the acquisition of qualified shareholdings in a non-financial firm are conditioned by significant financing relationship with such firm or with other firms belonging to its economic group.

General Compliance shall put in place processes to be promptly informed on qualified shareholdings, held by the Bank to evaluate potential conflicts between these shareholdings and other banking activities, in particular the granting of loans.

Further details related to the identification of such related persons, included in the combined perimeter and the governance of such transactions are described in the UCB ACC-36 "Rules for

Management of Investments (Direct and Indirect) of UniCredit Bulbank AD in the capital of other companies for reporting trading in shares issued by UniCredit S.p.A.

3.1.7 Conflicts arising from Employees' Outside Business Interests (OBI)

This type of conflict arises when an employee has an outside business interest ('OBI').

This condition means relationships and interests in businesses that are not directly associated with the employment relationship with a UniCredit and/or which may have a direct or indirect influence on UniCredit or its customers (e.g. Other Employment, Company positions, Shareholding in a Company, Interest in Business operations, interest in an Authority or in other Bodies or in a Professional Order)

Employees do not undertake any interest that may conflict with the interests of the Group or its Clients.

UniCredit Bulbank implements internal processes and procedures to collect information on Employees and Administrators (UCB COM-72-4-19/02/2024 Rules on declaring and evaluation of outside business interests of employees; UCB CRED-189-3-21/01/2022 Rules of UniCredit Bulbank AD for identification, supervision and reporting of internal exposures of a person under art. 45, par. 1 of the Credit Institutions Act and Ordinance No 37 of the BNB).

In particular, to avoid conflicts, UniCredit Bulbank employees must declare their personal outside business interests. In addition, UniCredit Bulbank as an entity part of UniCredit Group is obliged to require pre-authorization for the acquisition or disposal of interests that may embed a conflict.

For further details please refer to UCB COM-72-4-19/02/2024 Rules on declaring and evaluation of outside business interests of employees **3.1.8 Organizational Conflicts**

This section includes conflicts that may arise if the same employee holds more than one relevant role or in case organizational changes of the chart or for aspects related to assigned responsibilities.

1) Appointment of an Employee to multiple managerial roles

The appointment of an Employee to multiple managerial roles within the Group:

- within the UniCredit S.p.A.; or
- in two different Legal Entities; or
- in the Holding (UniCredit S.p.A.) and in a Legal Entity

requires the implementation of the following organizational measures to mitigate or manage related potential COI. In particular:

- to define which of the roles taken by the employee must be considered his/her "main" role, for instance by assigning specific goals within his/her variable remuneration that discourage potentially biased choices;
- to avoid situations where arbitrations or key decisions with regards to budget, goals and compensations are taken by one of the persons who will be impacted by the same;
- to ensure that collective resolutions/decisions regarding or related to budget, goals and compensations are taken with the abstention of employee having conflicts on such topics.

2) Appointment of an Employee to corporate bodies memberships

The appointment of an Employee by the Group, as classified below, must be assessed by the Bank in compliance with regulatory constraints and by the competent Group functions in accordance with the relevant process¹⁶

- "Relevant Legal Entities": directly or indirectly controlled subsidiaries, directly or indirectly jointly-controlled subsidiaries, including their controlling/joint ownership interests;
- "Other Companies/Entities": minority shareholdings held directly or indirectly and the other entities which belong directly to UniCredit SpA;
- "Other Bodies": bodies/organisations to which UniCredit SpA is indirectly affiliated (including appointments made through ABI: e.g. chamber of commerce councils and regional commissions), (ii) sectorial/technical bodies/commissions set up within bodies in which UniCredit SpA is a direct or indirect member, (iii) Companies/Bodies/Bodies in which there is no shareholding but UniCredit SpA is entitled to, or has been requested to, appoint its own representatives

The appointment of an Employee to corporate bodies of external companies, where the role is held on a personal basis, is regulated by the outside business interests' process on the basis of the UCB COM-72-4-19/02/2024 Rules on declaring and evaluation of outside business interests of employees.

3) Conflicts arising from organizational changes

UniCredit Bulbank has implemented internal process requiring the submission to General Compliance for a preliminary evaluation of the proposed organizational change (included the creation of new structures), to manage potential conflicts arising from the responsibilities assigned to the Structures, ascertaining, for example, the overlap between operational and control tasks and/or the presence of adequate segregation between activities where required by law.

UniCredit Bulbank has implemented internal Process for approval of the organizational change (UCB ORG-25), that requires submission to General Compliance for preliminary evaluation of the proposed organizational change (included the creation of new structures), to manage potential conflicts arising from the responsibilities assigned to the Structures, ascertaining, for example, the overlap between operational and control tasks and/or the presence of adequate segregation between activities where required by law.

3.1.9 Conflicts arising from assignment of services and activities to external professionals and/or suppliers

1) Conflicts of Interest in business transactions

UniCredit Bulbank must implement processes and procedures to avoid any potential COI of Relevant Personnel in performing any business transaction concerning the Group if:

- the Relevant Personnel has the power to influence the outcome of the business transaction; and
- Relevant Personnel close relative holds any personal interest in the transaction, and/or
- the Relevant Personnel can give benefit and/or benefit from it, either directly or indirectly.

¹⁶ Please refer to UCB LEG-52-4-15/12/2022 Internal policy Suitability assessment of the Corporate officers and Key function holders and Procedures for the definition of the Corporate Bodies of the Subsidiaries in terms of structure, composition and remuneration and for the appointment of the corporate officers appointed by the Group

Therefore UniCredit Bulbank must implement process and procedures considering:

- nature and size of the proposed transaction;
- potential conflicts of interest of Relevant Personnel in the transaction;
- what is likely to be the Relevant Personnel s given and/or obtained benefit from the transaction;
- if the benefit is to a close relative of the Relevant Personnel, what is the nature of the relationship in the family and the level of influence by the Employee of the Bank;
- if the potential conflict of interest materially impacts the Relevant Personnel responsibilities.

2) Interests in external or Group suppliers

The selection of external suppliers is a process particularly sensitive that, apart from risks of administrative and criminal offences like bribery, has to prevent conflicts of interest detrimental for the Group, UniCredit Bulbank and its Stakeholders.

This process involves:

- checks related to any financing granted by the Group to external suppliers;
- specific screening activities required by the UCB COST-15 Rules for outsourcing/non-outsourcing contracts risk management UCB COM-58-Single Rulebook on anti-bribery and anti-corruption measures of UniCredit Bulbank AD and its subsidiaries.

Further to all applicable Group Rules, these processes should both include pre-defined clauses on conflict of interest to be added to the contracts with the outsourcers (even in absence of regulatory obligations on such suppliers) and make reference to a questionnaire to collect the main information on the supplier.

Outsourcing covered by Global Policy - Provision of investment services and activities under MIFID II must comply with the related external rules and guidelines.

4 WHISTLEBLOWING

UniCredit, in fostering a corporate culture based on ethical behaviors and good corporate governance, provides them with adequate communication channels to send reports of unacceptable conduct (UCB COM-43-Whistleblowing Policy). If an employee or a Third Party suspects that any person is engaging in any unacceptable conduct related to COI issues, either currently or in the past, it must immediately report it using whistleblowing channels.

5 **ATTACHMENTS**

6 **REFERENCES**

<p><u>Definitions</u> and acronyms</p>	<p>Related Persons</p>	<p>The following should be considered:</p> <p>a) spouses, lineal relatives without restrictions, collateral up to the fourth degree inclusive and relatives by marriage up to the third degree inclusive;</p> <p>(b) the partners;</p> <p>(c) persons one of whom participates in the management of the other or of its subsidiary;</p> <p>(d) persons in whose management or supervisory body the same legal or natural person participates, including where the natural person is a legal person;</p> <p>e) a company and a person holding more than 5 percent of the shares or shares issued with voting rights in the company;</p> <p>(f) persons, one of whom exercises control over the other;</p> <p>(g) persons whose activities are controlled by a third party or its subsidiary;</p> <p>(h) persons who jointly control a third party or its subsidiary;</p> <p>(i) persons, one of whom is a sales representative of the other.</p> <p>"Related parties" shall also be persons who participate directly or indirectly in the management, control or capital of another person or persons, due to which conditions different from the usual ones may be agreed between them.</p>
	<p>Authorities</p>	<p>Any competent Supervisory Authority and Regulators</p>
	<p>Banking Group</p>	<p>The set of banking, financial and instrumental companies belonging to UniCredit Banking Group, in the composition from time to time in force</p>
	<p>Business COI Referee (BCOIR)</p>	<p>Carried out by Advisory, Capital Markets & Specialised Lending Compliance / Group Control Room, the BCOIR is the point of contact for business Event Owners for the addressing of Business COI at LE & Group Level. BCOIR is interacting with the Business and General Compliance involved checking in "first line" the submitted requests, than in parallel with Compliance. The BCOIR, after Compliance confirmation, provides the answer to requestor. In cases of doubt the BCOIR is additionally mediating between the involved parties</p>
	<p>Close Relatives</p>	<p>Relatives and relatives by marriage up to the second degree of kinship, as well as the common law married person and his/her sons/daughters</p>

General Compliance (009)

	Combined Perimeter	The jointly set composed of Related Persons UCB LEG-49 VBR Subject: Obligations of UniCredit Bulbank AD to meet the Group requirements for managing transactions with related parties.
	Confidential Information	Confidential information, in relation to a legal rather than a natural person, is information that has inherent value to that person and if made public or disclosed to a competitor or external (third) party, could have negative consequences for that person
	Conflicts of Interest Matrix (i.e. COI Matrix)	It is the table (FILE EXCEL) that defines the types of Conflict of interest created by the combination of Events and Transaction, adapted for the Bank with the relevant involved structures for each Conflict of interests.
	Conflict Owner	Organizational function responsible for monitoring the existence of COI within its responsibility (for example at the Divisional level or Bank) and for carrying out the activities necessary for the related Management function (for example, submitting them for decision to a Committee). One of its tasks is to verify that the Event Focal Point timely and properly update the closing/deleting of event causing COI. This function is responsible for advising and overseeing the completeness, correctness and timely management of the COI verifying that these activities have been correctly performed at the time of the COI clearance request..
	Corporate bodies	Board of Directors, Board of Statutory Auditors, Supervisory Board or Management Board and Control Committee, depending on the governance structure.
	Employees	All persons employed on an employment contract basis with UniCredit and tied agents with exclusivity relationship with UniCredit
	Event Owner	Event Owner is the business unit where a single event (e.g. a deal with a client) or event category (e.g. product/services) can arise from. She/He is responsible for: <ul style="list-style-type: none"> • collecting all the terms of the potential transaction(before to propose/discuss the same with a client or potential client): necessary for a complete identification of the client; • sending the collected information to the Event Focal Point • updating timely the Event Focal Point on the closing of the deal or the deleting of the same.
	Event Focal Pont	Event Focal Point is the organizational Function responsible for promptly recording and updating in the specific IT tool Sia - Eagle the Event and all the related information received from Event Owner

	Events	Are activities and types of relation referable to both the Group and to its Employees, in relation to which potential conflicts of interest may arise.
	Group COI Referent	Group Compliance structure or subject in charge of Conflicts of Interest management at Group level, responsible for: <ul style="list-style-type: none"> • Definition and update of Group COI Management Model (including related organizational measures) • Distribution of Group COI Management Model to Legal Entities and support in the definition of local Models and related validation
	Group Compliance Tool Business Administrator	Group Compliance function (<i>Compliance Innovation and Tools Management</i>) is responsible to act as a point of reference to peer benchmarking and to analyze innovative solutions from a Compliance Risk perspective, to ensure IT framework harmonization, consistency and coherence according to Group Digital & Information strategy. Is also responsible to drive the IT Needs collection and to support the Competence Line (No GAFC perimeter) from new requirements definition to go live
	Local COI Referent	Local structures in Compliance or subject in charge of COI management at UniCredit Bulbank are (Unicredit Bulbank) Control of Investment Intermediary and Shareholders Capital Control of Investment Intermediary and Shareholders Capital and General Compliance responsible for: <ul style="list-style-type: none"> • Assessment of Group COI Management Model • Customization of Local COI Matrix (identification of local Event/event owner/Event Focal point/ect.) • Sharing of local Model with Group COI Referent for validation
	Group	UniCredit Group, composed of UniCredit S.p.A. and of the Group Legal Entities
	Holding Company	UniCredit S.p.A.
	Information Barriers	Information Barriers (i.e. "Chinese walls") are physical, electronic and organizational measures for managing Inside Information and conflicts of interest to comply with regulatory and contractual obligations tied to disclosing Inside Information. Such measures also help to prevent the inappropriate disclosure of such information between structures that might find themselves in conflict of interest
	Inside Information	Information as defined in Regulation (EU) no 596/2014 on market abuse (Market Abuse Regulation)
	Organizational Measures	Those measures/interventions suitable to mitigate/neutralize the various applicable conflicts of interest identified as described in the COI Matrix

	Related Parties	The set of the subjects as defined by the CONSOB Regulation. ("Regulation providing provisions on transactions with Related Parties" adopted by CONSOB with resolution of March 12, 2010, no. 17221 e subsequent amendments)
	Relevant Personnel	Employees and Corporate Bodies Members
	Significant Investment	Significant Investment is so called when the Group will retain a relevant stake with significant influence: e.g. shareholding between 10%, if the investee is listed, or 20% if the investee is not listed and 50% or significant influence (for example through the power of appointing executive bodies or through the presence of veto rights on relevant topics such to influence its governance, etc.). This Rule does not apply to intercompany transactions.
	Stakeholders	Different interest holders involved, e.g. shareholders and customers

Associated Rules	<p>UCB LEG-49 "Obligations of UniCredit Bulbank AD for Compliance with Group Requirements for Management of Related Party Transactions";</p> <p>UCB COM-62 "Definition of Basic Principles and Rules for Conflict of Interest Disclosure and Management through SIA-Eagle Group IT Application";</p> <p>UCB ACC-36 "Rules for investment management (direct and indirect) of UniCredit Bulbank AD in the capital of other companies for reporting trading in shares issued by UniCredit S.p.A.";</p> <p>UCB COM-114 "Market Abuse Policy";</p> <p>UCB COM-97 "Investment Recommendations and Investment Research";</p> <p>UCB HR-55 Remuneration Policy of UniCredit Bulbank 2023 based on the Group Remuneration policy of UniCredit S.p.A.;</p> <p>UCB COM-9 "Policy MIFID II – Provision of investment services and activities";</p> <p>UCB COM-57 "Code of Conduct";</p> <p>UCB COM-58 "Single Rulebook on anti-bribery and anti-corruption measures of UniCredit Bulbank AD and its subsidiaries";</p> <p>UCB COM-72 "Rules on declaring and evaluation of outside business interests of employees";</p> <p>UCB COST-15 "Rules for outsourcing/non-outsourcing contracts risk management";</p> <p>UCB LEG-52 "Internal policy Suitability assessment of the Corporate officers and Key function holders";</p> <p>UCB LEG-56 "Procedures for the definition of the Corporate Bodies of the Subsidiaries in terms of structure, composition and remuneration and for the appointment of the corporate officers appointed by the Group";</p> <p>UCB COM-43 "Whistleblowing Policy".</p>
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This document has been approved by the Management Board of "UniCredit Bulbank" AD with Protocol № 16 of 03.04.2024.