



Risk and Compliance Department

Internal Code of Conduct in the Area of the Securities Market

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PART I. GENERAL RULES

Article 1. Scope of application

1. This Internal Code of Conduct and its accompanying annexes (hereinafter, the code or the ICC) apply to Cecabank, S.A. (hereinafter, Cecabank) and the following individuals (hereinafter, covered persons):

- a) Members of the Board of Directors.
- b) Members of Cecabank's Executive Committee.
- c) Other executives and employees of Cecabank whose work is directly related to operations and activities in securities markets or provides support for such activities.
- d) Other individuals who belong to or provide services to Cecabank and who, at the discretion of the compliance function, must temporarily be subject to the code due to their involvement in or knowledge of a transaction related to these markets.

The Regulatory Compliance Department will maintain an up-to-date and comprehensive list of individuals subject to the code, which will be available at all times to the governing bodies and supervisory authorities.

2. This code applies to activities carried out by Cecabank in the securities market.

Article 2. General duties

Covered persons must be aware of, comply with, and assist in the implementation of the applicable securities market legislation relevant to their specific area of activity, this code, and the internal regulations governing it.

PART II. PERSONAL ORDERS AND TRANSACTIONS

Article 3. Purpose

This part applies to personal orders and transactions carried out by covered persons involving financial instruments traded on regulated markets, multilateral trading facilities (MTFs), or organised trading or negotiation systems (OTFs), as well as financial instruments whose underlying assets are traded on such markets or systems. This is regardless of whether the order or transaction is executed within or outside these markets or systems and irrespective of the form of representation of the instruments (using distributed ledger technology (DLT) or any other secure recording system that may emerge in the future).

Article 4. Non-speculative activity

Under no circumstances may financial instruments acquired or sold for their own account by covered persons be sold or repurchased on the same session or day on which the purchase or sale transaction was executed.

Article 5. Formalisation of orders

1. Orders placed by covered persons must be formalised in writing, via any telematic, computerised or electronic means made available by the entity for this purpose, or by telephone, if the order is recorded.

Orders formalised through Cecabank must be included in an order justification file.

2. When placing any type of transaction involving financial instruments, covered persons must provide the funds and guarantees required under the specific regulations for each type of transaction and, where applicable, under the contract signed by the parties. For spot transactions, they must have the necessary funds available or prove ownership or acquisition of the corresponding securities or rights.

Article 6. Duties of communication and information

1. Covered persons must submit a detailed report to the Regulatory Compliance Department at the end of each calendar month, provided they have traded on their own account. This report must include all orders and transactions carried out since the previous submission. The list of orders and transactions must be delivered, in writing or electronically, within the first ten days of the following month, and must refer to the transactions of the previous month.

Investments in shares or units of harmonised Spanish and European collective investment institutions are exempt from this obligation, provided that the covered person or any other individual on whose behalf the transaction is conducted is not involved in managing the institution.

2. The Regulatory Compliance Department may determine transactions that, due to their amount or risk, require authorisation before execution.

At the request of the Regulatory Compliance Department, covered persons must provide detailed information at any time and, if required, in writing, regarding

their personal orders and transactions. This obligation to inform may include all transactions, including those conducted through other entities.

3. The monthly reports and written information referred to in paragraphs 1 and 2 above must be archived in an organised and separate manner for at least six years.

The Regulatory Compliance Department is required to ensure their strict confidentiality, without prejudice to its duty to cooperate with judicial and supervisory authorities.

4. For the purposes of this article, the following are treated as personal transactions of covered persons:
 - a) Transactions carried out by any individual with whom they have a familial relationship or by companies with which they maintain close ties.
 - b) Transactions carried out by companies with which they maintain close ties.
 - c) Transactions conducted through intermediaries.
5. Upon taking office, the members of Cecabank's Board of Directors¹ must submit a written statement to the Regulatory Compliance Department, indicating:
 - a) That their personal transactions will be reported to the competent unit within their entity.
 - b) That the Head of Regulatory Compliance at Cecabank may contact their entity to request any information deemed necessary for the performance of the functions assigned by the ICC.

Article 7. Prohibitions on trading and special restrictions

1. The Regulatory Compliance Department may impose special restrictions on the personal trading activities of certain covered persons.

Such restrictions may be temporary or permanent and will apply to the securities and financial instruments determined by the Regulatory Compliance Department (hereinafter, the affected instruments).

The restrictions may include, among other measures:

- a) Prior authorisation. The requirement to obtain prior authorisation from the Regulatory Compliance Department for personal orders and transactions involving the affected instruments. A response to the request will be provided no later than the next business day after receipt and will include, where applicable, the terms under which the transaction may be carried out;
- b) Prohibition. The obligation to refrain from placing orders or carrying out personal transactions involving the affected instruments for a specified period.

¹ Except for independent directors and those who are not providing services in another bank, and are therefore not subject to another ICC. Independent directors and those not providing services to another bank are fully subject to Cecabank's ICC, and must therefore report their transactions to Cecabank's Regulatory Compliance Department, in accordance with the provisions of Article 6.

2. The Regulatory Compliance Department will directly inform the affected covered persons of the specific restrictions applicable to them, as well as of the duration or end date of those restrictions.

Article 8. Discretionary investment portfolio management contracts

1. Covered persons who have entered into a discretionary and individualised investment portfolio management contract must notify the Regulatory Compliance Department by providing a copy of the contract.

Upon receiving the copy, the Regulatory Compliance Department will verify the following:

- a) That the entity is legally authorised to provide discretionary and individualised investment portfolio management services.
 - b) That the contract is intended to be permanent in nature.
2. The Regulatory Compliance Department may require covered persons referred to in this article to submit a signed statement specifying that investment and divestment decisions related to the management of their assets are made without any involvement on their part.
 3. Once the copy is received and the above points are verified, unless otherwise determined by the Regulatory Compliance Department, Articles 4 to 7 will not apply to transactions decided by the corresponding portfolio manager.

PART III. PREVENTION OF MARKET ABUSE

CHAPTER I **PRIVILEGED INFORMATION**

Section 1. General duties Article 9.

Duty to communicate

Covered persons who have access to privileged information must promptly notify the Regulatory Compliance Department, either directly or through the head of their department or separate area. The communication must include the characteristics of the information, the date it became known, and the securities and financial instruments affected.

Article 10. Duty to abstain

Covered persons who possess information that they know, or ought to know, is privileged must refrain from engaging in the following actions:

- a) Prepare or place any type of order or transaction involving financial instruments, as well as any type of contract, whether traded on a regulated market, MTF, or OTF, based on such information. Cancel or modify orders related to financial instruments to which the information pertains if the order was placed before the person had access to the information.

The following are excluded:

- (i) the preparation and execution of transactions where their existence constitutes, in itself, the privileged information;
- (ii) transactions carried out in compliance with an obligation to acquire or dispose of financial instruments that was already due and established under an agreement entered into before the individual came into possession of the privileged information, provided this obligation has been reported to the Regulatory Compliance Department;
- (iii) other transactions carried out in accordance with applicable regulations.
- b) Disclose such information to third parties, except in the normal course of their work, profession, or position.
- c) Recommend to a third party that they buy or sell financial instruments, or cause another to buy or sell them, based on such information.
- d) Recommend or induce a third party to cancel or modify an order related to financial instruments to which the information pertains
- e) Make, modify or cancel an offer on behalf, either on their own behalf or on behalf of a third party, involving auctions of emission rights or other auctioned products.

Article 11. Duty to safeguard

1. Covered persons in possession of privileged information are obligated to safeguard it, without prejudice to their duty to communicate and cooperate with judicial and administrative authorities.

In accordance with the above, they must adopt appropriate measures to prevent such information from being misused or unfairly exploited. If misuse or unfair exploitation of privileged information occurs, anyone aware of it must immediately report it to the Regulatory Compliance Department.

2. Those responsible for separate areas must implement necessary security measures to ensure that physical and digital media containing privileged information are protected from unauthorised access.
3. Market soundings or research conducted by a covered person in the normal course of their work, profession, or role will not be considered a breach of the duty to safeguard, provided that such activities comply with legal requirements.

Section 2. Obligations arising from the provision of investment services

Article 12. List of insiders

1. The Regulatory Compliance Department must prepare and maintain an up-to-date insider list for each financial instrument for which privileged information is available in the course of providing investment services. This list must include the individuals who have had access to such information and the corresponding dates.
2. The Regulatory Compliance Department must explicitly notify the individuals included in the lists mentioned in the previous paragraph of the nature of the information, their duty of confidentiality, the prohibition on its use, and the penalties and sanctions applicable in the event of improper use. It will also inform those affected of their inclusion in the register or list and of the other matters required under European and Spanish regulations on personal data protection.
3. The data recorded in the registers and lists mentioned above must be retained for six years from the date they were last entered or updated. Additionally, they must be made available to the Spanish National Securities Market Commission (CNMV) upon request.

Article 13. Determination of separate areas

1. The Compliance and Operational Risk Committee will determine the separate areas and the covered persons assigned to each.

Separate areas will be established for the various departments or units within Cecabank that carry out activities related to securities markets and that must maintain appropriate separation from each other to prevent the flow of privileged information and avoid conflicts of interest.

In particular, separate areas must be established, at a minimum, for each department involved in proprietary portfolio management and third-party order brokerage activities.

2. Each separate area will have a designated manager, who, within their scope of authority, will ensure compliance with the provisions of this chapter.
3. Covered persons must be aware of the separate area to which they belong, the other covered persons included in the same area, and who their manager is.
4. Those providing services, regardless of their rank, within a specific separate area must sign a document in which they commit, with explicit reference to the relevant separate area, not to use privileged information they have accessed through their duties for personal benefit, or to disclose it to individuals outside the separate area.

Article 14. Independent activity of separate areas

1. The provisions of Articles 19 and 20 notwithstanding, covered persons must ensure that privileged information is managed and decision-making processes are carried out independently within the separate area to which they belong.
2. The decision-making system must, in all cases, ensure that decisions are made independently within the separate area.

Article 15. Establishment of barriers

1. The managers of separate areas and the Regulatory Compliance Department will establish barriers between each separate area and the rest of the organisation, taking into account the nature of the operations they are involved in and the information they handle.
2. The Regulatory Compliance Department will conduct periodic checks to verify that the transactions carried out in the market on its own account or on behalf of clients, and of the covered persons, are not affected by undue access to privileged information and, ultimately, to verify the correct functioning of the information barrier system.

Article 16. Transfer of privileged information between separate areas

1. The transfer of privileged information between separate areas will only be permitted when it is essential for the proper execution of the functions of one of the areas, a specific transaction, or to adopt a decision.
2. The transfer of privileged information between separate areas requires authorisation from the compliance function.

The granting of such authorisations, which will be recorded individually by the Regulatory Compliance Department, will take particular account of the risks of conflicts of interest. Under no circumstances may the transmission of information be authorised if it violates confidentiality agreements signed by Cecabank.

Article 17. Transfer of privileged information across barriers

1. Covered persons and bodies hierarchically above the managers of separate areas, including committees or boards in which such managers or their designated representatives participate, are considered a common structure superior to the separate areas.

2. Privileged information may be transferred to covered persons hierarchically above the barriers as part of the corresponding decision-making processes. The transfer must be reported to the compliance function when the information is particularly relevant or sensitive.

Article 18. Transfer of privileged information to external parties

If it becomes necessary to transmit privileged information to individuals outside Cecabank, the recipients must sign a confidentiality agreement. Such transmissions must be reported to the compliance function. Advisors involved in corporate transactions (financial entities or other types of advisors) must implement procedures and measures to safeguard the privileged information accordingly.

CHAPTER II **MARKET MANIPULATION AND SUSPICIOUS** **TRANSACTIONS**

Article 19. Duty to abstain

Covered persons must refrain from preparing or engaging in practices that manipulate the market or distort the free formation of prices. This provision also applies to actions involving indices (benchmarks).

Article 20. Duty to report suspicious transactions

1. The Regulatory Compliance Department must notify the Spanish National Securities Market Commission (CNMV) as quickly as possible if it has reasonable grounds to suspect that an order or transaction involving securities or financial instruments is based on privileged information, constitutes market manipulation, or distorts the free formation of prices.
2. The notification sent to the CNMV must include the legally required information and the following details:
 - a) A description of the orders or transactions, including the type of order and the trading method used.
 - b) The reasons for suspecting that the transaction involves the use of privileged information or constitutes a practice that distorts the free formation of prices.
 - c) Identification of the individuals on whose behalf the transactions were carried out and, where applicable, others involved in the transactions.
 - d) Any other relevant information relating to suspicious transactions.
3. Once the notification is sent, the individuals involved are required to maintain such communication confidential.
4. The Regulatory Compliance Department will keep a record of the communications sent.

PART IV. CONFLICT OF INTEREST MANAGEMENT POLICY

Article 21. Purpose

This part outlines the general policy for preventing and managing conflicts of interest that may arise between Cecabank's clients or between the clients and Cecabank itself in the provision of investment services.

Article 22. Identifying conflicts of interest

To identify conflicts of interest that may arise when providing investment or ancillary services, or a combination of both, consideration will be given to whether Cecabank or covered persons:

- a) can obtain a financial gain or avoid a financial loss at the client's expense.
- b) have an interest in the outcome of the service provided to the client or the transaction carried out on their behalf that differs from the client's interest.
- c) have financial or other incentives to prioritise the interests of another client or group of clients over the interests of the client in question.
- d) engage in the same activity or business as the client.
- e) receive an incentive from a party other than the client in connection with the service provided, in the form of money, goods, or services, other than the standard commission or cost of the service.

Article 23. Other conflicts of interest

The Regulatory Compliance Department may identify other types of conflicts of interest that covered persons may encounter due to familial, economic, or professional relationships, or for any other reason, in connection with a specific action, service, or transaction, and it may also establish rules for resolving such conflicts.

Article 24. Duties regarding conflicts of interest

1. Covered persons must endeavour to avoid conflicts of interest.
2. Covered persons must inform the Regulatory Compliance Department and the manager of the relevant area about any conflicts of interest to which they are effectively subject.

Such notifications must be made as soon as possible and, in any case, before taking any decision that could be affected by the potential conflict of interest.

Covered persons must keep this information up to date, reporting any changes to or termination of the situations previously reported.

3. If personally affected by a conflict of interest, covered persons must refrain from participating in preparatory actions, taking decisions, or, where applicable, casting their vote in situations where the conflict arises. They must also notify those responsible for making the relevant decision.

Article 25. General rules for resolving conflicts

1. Conflicts of interest will be resolved by the manager of the affected separate area. If it affects multiple areas, the conflict will be resolved by the immediate hierarchical superior of all the areas concerned. If none of these rules apply, the conflict will be resolved by a person designated by the Regulatory Compliance Department.

If there is any doubt regarding competence or how to resolve the conflict, the matter may be referred to the Regulatory Compliance Department.

2. In resolving conflicts of interest, the following rules shall be taken into account:
 - a) In conflicts between Cecabank and a client, the client's interests must be safeguarded.
 - b) In the case of a conflict between clients:
 - (i) no favouritism must be shown to any client;
 - (ii) under no circumstances may one client be informed of the transactions conducted by another;
 - (iii) a client must not be prompted to conduct a transaction to benefit another.
3. If the measures adopted by Cecabank are insufficient to reasonably ensure that risks of harm to clients' interests are prevented, the nature and origin of the conflict must be disclosed to the affected clients. The services or transactions involved may proceed only if the clients give their consent.
4. The decision regarding the conflict and any resulting issues must be communicated to the Regulatory Compliance Department.
5. The Regulatory Compliance Department must maintain an up-to-date register of conflicts of interest that have occurred or are unresolved in ongoing services or activities.

Article 26. Specific rules for certain units

Within the separate areas of brokerage and portfolio management, appropriate and reasonable measures must be taken to prevent or mitigate conflicts of interest that may arise between multiple clients. To this end:

- a) When orders or transactions must be distributed among multiple clients, the allocation must be made using predefined objective criteria. If it is not possible to apply the predefined criteria for any reason, the criteria applied must be documented in writing.
- b) Wherever possible, depending on the scope of the relevant activities within the entity, efforts should be made to separate both management and brokerage services by markets and by clients or groups of clients with

common characteristics. In particular, institutional clients should be separated from individual clients.

PART V. DEPOSITARY

Article 27. Applicable regulations

In addition to the rules outlined in Article 2, covered persons must be aware of, comply with, and assist in the implementation of the specific conduct rules applicable to depository activities, as set out in sections 2 and 3 of Annex 2.

Article 28. Rules of conduct

Covered persons must prioritise the interests of collective investment institutions, pension funds, and voluntary social welfare entities over their own, acting with impartiality, good faith, and always protecting the interests of these institutions and funds.

Article 29. Organisational requirements

The Regulatory Compliance Department will identify individuals performing depository and administrative functions and ensure they have the specific powers necessary to carry out their respective duties.

Article 30. Separation of the depository

1. The depository department of collective investment institutions will periodically provide the compliance function with a list of the management companies of collective investment schemes for which Cecabank acts as a depository, the pension fund management entities for which Cecabank also acts as a depository, and the voluntary social welfare entities for which Cecabank serves as a depository.
2. The Regulatory Compliance Department will ensure that the depository activity adheres to the separation rules established in the applicable regulations.

PART VI. APPLICATION OF THE REGULATION

Article 31. Corporate intranet

The Regulatory Compliance Department will maintain a page on Cecabank's corporate intranet accessible to all covered persons, containing the following:

- a) This code.
- b) The procedures related to its implementation and compliance monitoring.
- c) The forms needed to fulfil the obligations outlined in the code
- d) The updated list of separate areas and their managers.

Article 32. Training

- 1. All covered persons must receive training on the code upon its entry into force or upon being designated as a covered person.
- 2. Additionally, all covered persons must receive updated training at intervals determined by the Regulatory Compliance Department.

Article 33. Non-compliance

Failure to comply with the provisions of this code may result in the imposition of the corresponding criminal, administrative, or employment-related sanctions.

Sanctions will be imposed in the workplace after conducting the corresponding sanctioning procedure in conformance with the reference sectoral regulation.

Article 34. Modifications

Any modifications to this code must be approved by the Board of Directors and reported to the Spanish National Securities Market Commission.

PART VII. CONTROL AND COMPLIANCE STRUCTURE

Article 35. Regulatory Compliance Department

The Regulatory Compliance Department is responsible for carrying out the following tasks assigned by the Code:

- a) Including within the scope of the Code other individuals who belong to or provide services to Cecabank and who, despite not having a role directly related to the securities markets, should temporarily be subject to the Code at its discretion due to their involvement in or knowledge of a transaction related to those markets.
- b) Assisting in the resolution of conflicts of interest as outlined in Article 25.1 of the Code and being informed of existing, identified, reported, and resolved conflicts of interest.
- c) Analysing changes in the lists of covered persons and incidents in monthly transaction declarations and order formalisation.
- d) Reviewing the results of controls on compliance with internal regulations concerning market abuse and depository activities. Submitting the analysis conducted under this section to the Compliance and Operational Risk Committee.
- e) Evaluating the need to update the Code or expand on specific areas, submitting its conclusions to the Compliance and Operational Risk Committee.
- f) Participating in the design and scheduling of training activities.
- g) Any other duties expressly assigned by the Code or other internal regulations of the entity.

Additionally, the Department has the following responsibilities:

- 1. Maintaining the following files or records and defining the procedures necessary to coordinate the communication and information duties outlined in the ICC:
 - a) Covered persons and entities subject to the Code.
 - b) Notifications regarding the selection of a mediation entity in cases where covered persons are subject to two or more internal codes of conduct.
 - c) Monthly reporting of personal transactions carried out by covered persons.
 - d) Information received, at the Department's request, from covered persons regarding their personal transactions, including those exempted from the duty of monthly communication and mandatory mediation.
 - e) Reports of portfolio management contracts.

- f) Receiving communications from covered persons regarding possession of privileged information.
 - g) Reports of abusive or improper use of privileged information.
 - h) Managing the commitments of individuals working within a separate area, explicitly referencing the area in question, to neither use privileged information for personal benefit nor disclose it to persons outside the area.
 - i) Recording the transmission of privileged information.
 - j) Maintaining a record of the management companies of collective investment institutions (CII) and pension funds for which Cecabank acts as a depositary.
 - k) Submitting communications to the CNMV regarding suspicious transactions.
 - l) Recording conflicts of interest, including the decisions made and any resulting incidents.
2. Requesting information from covered persons regarding their personal transactions, including those exempt from the duty of monthly communication and mandatory mediation.
 3. Compiling and maintaining a list of securities and instruments for which privileged information is available in the course of providing investment services, specifying the individuals with access to such information.
 4. Explicitly notifying individuals included in the list of securities for which privileged information is held in the course of providing investment services about their obligations regarding such information.
 5. Authorising the transmission of privileged information between separate areas and maintaining a register of authorisations.
 6. Advising on competence for resolving or determining how to resolve a conflict of interest.
 7. Maintaining on the corporate intranet a site accessible to all covered persons, including the following content: the Code, Circulars, forms, and a list of separate areas.
 8. Defining procedures to ensure compliance with the established functions.

ANNEX I. DEFINITIONS

1. Separate area

Separate areas refer to the various departments or units within Cecabank that carry out activities related to securities markets and that, under this code, must maintain appropriate separation from each other to prevent conflicts of interest and the improper use or disclosure of privileged information. This ensures that each area makes its decisions independently.

2. Barriers

Barriers refer to physical, electronic, or other elements and procedures established to ensure the integrity of separate areas.

Barriers can be classified as follows:

- a) Physical barriers, including physical separation measures and restricted areas.
- b) Information access barriers, referring to the protection of physical and electronic documents and files through measures such as access keys, coded operation names, and similar methods.
- c) Communication barriers, involving the control of written, electronic, or telephone communications and restrictions on comments or communications, among others

3. Conflict of interest

A conflict of interest exists when the impartiality of the actions of covered persons may be compromised, in the judgment of a neutral observer, potentially resulting in harm to a client's interests.

4. Discretionary investment portfolio management contract

A discretionary investment portfolio management contract is an agreement under which a covered person entrusts a legally authorised entity with the total or partial management of their financial assets. This includes making all investment, divestment, and asset maintenance decisions, as well as managing the income and returns, at the entity's discretion and without the covered person's intervention.

5. Spot contract for commodities

Spot contracts for commodities refer to agreements for the supply or delivery of a commodity traded in a spot market, where delivery is promptly made after the transaction is matched. They also include contracts for the supply or delivery of a commodity that is not a financial instrument, such as physically settled futures contracts.

6. Depositary

The depositary function is carried out by entities entrusted with the safekeeping or custody of securities, cash, and, in general, the assets of collective investment institutions. These entities also oversee the management of the management companies of these schemes and, where applicable, the administrators of collective investment institutions in corporate form, as well as performing other functions assigned to them by Law 35/2003 of 4 November.

Additionally, depositary entities provide custodial and safekeeping services for securities and other financial assets within pension funds. They also oversee the management of the companies administering these funds and perform other functions assigned to them by the consolidated text of the Pension Plans and Funds Law, approved by Royal Legislative Decree 1/2002 of 29 November.

7. Emission Rights

Emission rights refer to units recognised for the purpose of complying with the requirements of Directive 2003/87/EC (regulating the emissions trading scheme).

8. Commodities derivatives

Derivatives on commodities as defined in Article 2(1)(30) of Regulation (EU) 600/2014.

9. Issuing entity

Any entity that issues or intends to issue any security or financial instrument on a regulated market, MTF or OTF domiciled in the European Union.

10. Indices or Benchmarks

Any rating, index, or figure that is published or made available to the public and is calculated periodically or regularly using a formula based on one or more assets or prices. This includes price estimates, current or estimated interest rates, or other values or surveys, which serve as a reference for calculating amounts payable under a financial instrument or determining the value of a financial instrument.

11. Privileged information

1. Privileged information is defined as specific information, directly or indirectly relating to one or more negotiable securities or financial instruments, or to one or more issuers of such securities or instruments, that has not been made public and that, if it were to be made public, could significantly influence or would have significantly influenced their trading price on a regulated market, MTF or OTF.

The concept of trading price includes not only the price of the negotiable securities or financial instruments, but also the price of derivative financial instruments associated with them.

For commodity derivatives, privileged information includes specific, unpublished information directly or indirectly related to one or more such derivatives or directly related to a commodity spot contract. If such information were made public, it could significantly influence or would have significantly influenced the value of the derivatives or related spot commodity contracts. It also includes information expected to be published or required to be published under legal, market, or regulatory practices in the relevant commodity derivatives or spot markets.

For emission rights and auctioned products based on them, privileged information includes specific, unpublished information directly or indirectly related to one or more of these instruments. If such information were made public, it could significantly influence or would have significantly influenced the value of these instruments or the prices of related derivative instruments.

Information is deemed to have a significant influence on trading prices if it is the type of information a reasonable investor would use as part of the basis for their investment decisions.

Similarly, information is considered specific if it refers to a set of circumstances that exist or may reasonably be expected to exist, or to an event that has occurred or may reasonably be expected to occur, and if the information is sufficiently precise to allow a conclusion to be drawn about the potential effect of those circumstances or events on the prices of the relevant negotiable securities, financial instruments, or related derivatives.

The provisions in the preceding paragraphs also apply to negotiable securities or financial instruments for which an application for admission to trading on a market or organised trading system has been submitted.

2. Regarding individuals responsible for executing orders related to negotiable securities or financial instruments, privileged information also includes any specific information provided by a client concerning their pending orders. This information must directly or indirectly relate to one or more issuers of securities or financial instruments, or to one or more securities or financial instruments, and if made public, could significantly impact the trading price of those securities or instruments, the price of related derivative financial instruments, or the price of related spot commodity contracts.

12. Harmonised and Alternative Collective Investment Institutions

Harmonised collective investment Institutions (CII) are considered to be those subject to the UCITS Directive (2009/65/EC) and not classified as alternative or hedge funds, which are regulated under Directive 2011/61/EU on alternative investment fund managers, or any subsequent directive that may replace it.

13. Financial instruments

All financial instruments defined in Article 4(1)(15) or Annex I, Section C, of Directive 2014/65/EU (MiFID II), or any regulation that replaces it, regardless of their form of representation (whether through distributed ledger technology (DLT) or any other secure recording system that may emerge in the future). The following would be included under its provisions:

- 1) Marketable securities.
- 2) Money-market instruments.
- 3) Units in collective investment undertakings;
- 4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;
- 5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;
- 6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, an MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;
- 7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;
- 8) Derivative instruments for the transfer of credit risk;
- 9) Financial contracts for differences.
- 10) Options, futures, swaps, forward rate agreements, and other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event.

This also includes any other derivative contracts related to assets, rights, obligations, indices, and measures not mentioned in this Section C, which exhibit the characteristics of other financial derivative instruments, taking into account, among other factors, whether they are traded on a regulated market, OTF, or MTF.

11) Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

14. Related financial instruments

Related financial instruments are those whose price is closely influenced by the fluctuations in the price of another financial instrument that is the subject of the report or investment recommendation, including derivatives based on that financial instrument.

15. Market manipulation

Market manipulation refers to the preparation or execution of practices that distort the free formation of prices. Acts of market manipulation include:

a) Transactions or orders, as well as any other actions:

- That provide or could provide false or misleading signals regarding the supply, demand, or price of negotiable securities or financial instruments, a spot commodity contract, or auctioned products based on emission rights.
- That fix, through one or more persons acting in concert, the price of one or more financial instruments, a spot commodity contract, or auctioned products based on emission rights at an abnormal or artificial level;

unless the person who carried out the transactions, issued the orders, or performed the actions can demonstrate the legitimacy of their reasons and that they comply with accepted market practices in the relevant regulated market.

- b) Transactions, orders, or other actions that affect or could affect the price of negotiable securities or financial instruments, a related spot commodity contract, or auctioned products based on emission rights, and that employ fictitious devices or any other form of deception or scheme.
- c) The dissemination of information through media channels, including the internet or any other medium, that provides or could provide false or misleading signals about the demand or price of financial instruments, a related spot commodity contract, or auctioned products based on emission rights. This includes the spreading of rumours and false or misleading news when the person disseminating it knew or should have known that the information was false or misleading. Additionally, such acts aim to ensure a fixed price for these instruments.
- d) The transmission of false or misleading information or the provision of false or misleading data concerning indices, when the person transmitting or supplying them knew or should have known that they were false or misleading, or any other act that manipulates the calculation of an index.

The following behaviours will also be considered market manipulation, among others:

- e) Acting individually or in concert with others to secure a dominant position over the supply or demand of a security, financial instrument, related spot commodity contract, or auctioned products based on emission rights, resulting in the direct or indirect fixing of purchase or sale prices or other unfair trading conditions.
- f) Selling or buying a security or financial instrument at the market's opening or closing, thereby misleading investors who rely on opening or closing prices.

- g) Submitting orders in a market or trading system, including their cancellation or modification, through any available trading methods, including electronic methods such as algorithmic trading and high-frequency trading strategies, having any of the effects described in points a) or b) above by:
 - i) Disrupting or delaying the functioning of the market or trading system, or creating the potential for such disruption or delay;
 - ii) hindering others from identifying genuine orders in the market or trading system, or enabling such hindrance, including the introduction of orders that overload or destabilise the order book;
 - iii) creating or enabling the creation of a false or misleading signal about the supply, demand, or price of a financial instrument, particularly by issuing orders to initiate or intensify a trend;
- h) Exploiting occasional or regular access to traditional or electronic media by expressing an opinion about a security, financial instrument, related spot commodity contract, or an auctioned product based on emission rights, or indirectly about its issuer, after taking positions in the security or financial instrument and benefitting from the impact of the expressed opinion on the price of the security, financial instrument, related spot commodity contract, or auctioned product based on emission rights, without adequately and effectively disclosing the conflict of interest to the public.
- i) Buying or selling emission rights or related derivatives on the secondary market before an auction conducted under Regulation (EU) 1031/2010, thereby setting the auctioned product's settlement price at an abnormal or artificial level or misleading bidders in the auction.
- j) Any practice the Ministry of Economy or the Spanish National Securities Market Commission identifies or describes as contrary to the free formation of prices.

Market manipulation also includes the preparation or execution of practices that distort the free formation of prices in relation to:

- a) Spot commodity contracts, excluding wholesale energy products, when the transaction, order, or action affects or could affect the price or value of negotiable securities or financial instruments traded on regulated markets, MTFs, or OTFs, or financial instruments whose value depends on or affects those securities or instruments (such as Credit Default Swaps or Contracts for Difference);
- b) Financial instruments, including derivative contracts or credit risk transfer derivatives, when the transaction, order, offer, or action affects or could affect the price or value of a spot commodity derivatives contract, where the price or value depends on the price or value of those instruments.

16. Commodities

Any of those defined in Article 2(1) of Commission Regulation (EC) No 1287/2006.

17. SME Growth Markets or Expanding SME Markets

An MTF registered as an SME growth market or expanding SME market in accordance with Article 33 of Directive 2014/65/EU (MiFID II).

18. Regulated market

A multilateral system operated or managed by a market operator that brings together or facilitates the bringing together, within the system and in accordance with its non-discretionary rules, multiple third-party buying and selling interests in financial instruments, resulting in contracts concerning financial instruments admitted to trading under its rules or systems. It must be authorised and operate regularly in compliance with Title III of Directive 2014/65/EU (MiFID II).

19. Spot market

A commodity market where commodities are sold for cash and promptly supplied or delivered once the transaction is matched, as well as other non-financial markets such as commodity futures markets.

20. Personal transactions

Personal transactions are those involving securities and financial instruments conducted by covered persons concerning their own assets and outside the scope of the activities they perform as part of their duties within the company.

21. Persons with whom the subject has a familial relationship

Persons with whom the covered person has a familial relationship are:

- a) the spouse or any person who may be considered as such under current legislation;
- b) Children and stepchildren under parental authority;
- c) Relatives who have been living in the same household as the covered person for more than one year.

22. Intermediaries

Persons who, in their own name, carry out transactions on behalf of covered persons.

23. Accepted market practices

1. Accepted market practices are those carried out, or reasonably expected to be carried out, in one or more official secondary markets and that are accepted by the European Securities and Markets Authority (ESMA) or the Spanish National Securities Market Commission (CNMV).

When determining whether a market practice is accepted, the CNMV will consider:

- a) The degree of transparency of the market practice in question for the market as a whole.
- b) The need to preserve the operation of market forces and the proper interaction between supply and demand. To this end, the CNMV will analyse the impact of the market practice on key market parameters, such as specific market conditions prior to the practice, the volume-weighted average price for a single session, or the daily closing price.
- c) The intensity of the impact of the market practice on market liquidity and efficiency.
- d) The extent to which the practice aligns with the trading mechanisms of the relevant market and allows market participants to respond appropriately and swiftly to the new market situation created by the practice.

- e) The risk that the practice poses to the integrity of EU markets, whether regulated or not, that are directly or indirectly related to the relevant security or financial instrument.
 - f) The findings of any investigation into the market practice in question conducted by the CNMV or any other competent authority or regulatory body, particularly if the practice violates rules aimed at preventing market abuse, or codes of conduct, in the relevant market or indirectly related markets within the EU.
 - g) The structural characteristics of the relevant market, including whether it is regulated, the types of financial instruments traded, and the types of participants in the market, particularly the relative importance of retail investor participation.
2. In no case shall a market practice, particularly a new or emerging one, be deemed unacceptable merely because it has not previously been accepted by the CNMV.

24. Investment recommendation

1. An investment recommendation refers to any information intended for the public, related to one or more securities or financial instruments or their issuers, including any report on the present or future value or price of those instruments, that advises or suggests an investment strategy.
2. Information that advises or suggests an investment strategy includes:
- a) Information prepared by an independent analyst, an investment firm, a credit institution, or any other person whose primary activity is preparing recommendations, as well as by individuals working for any of the aforementioned entities under an employment contract or otherwise, that directly or indirectly expresses a specific investment recommendation on a financial instrument or its issuer
 - b) Information prepared by individuals other than those mentioned above that directly recommends a specific investment decision regarding a financial instrument.

25. Multilateral Trading Facility (MTF)

A system operated by an investment services company or a market operator that facilitates the matching of multiple third-party buying and selling interests in financial instruments within the system according to non-discretionary rules, resulting in contracts, in accordance with Title II of Directive 2014/65/EU (MiFID II).

26. Organised Trading or Negotiation Facility (OTF)

An organised multilateral trading system that is not a regulated market or an MTF, where multiple third-party buying and selling interests in bonds, securitised instruments, emission rights, or derivatives interact to form contracts, in accordance with Title II of Directive 2014/65/EU (MiFID II).

27. Market soundings and projections

This includes the communication of information prior to the announcement of a transaction to assess potential investors' interest in the transaction and its terms, such as its potential size or price. This communication may be made by the issuer, a secondary offeror (where the order is of an unusual size and involves a delivery method requiring prior assessment by the potential investor), a participant in emission rights markets, or any third party acting on their behalf.

28. Securities and financial instruments

Securities and financial instruments include:

- a) Negotiable securities issued by public or private persons or entities, grouped in issues.
- b) Contracts of any kind traded on a regulated market, MTF or OTF.
- c) Forward contracts, option contracts, and swap contracts, provided their underlying assets are negotiable securities, indices, currencies, interest rates, or any other type of financial asset, regardless of settlement method and whether or not they are traded on a regulated market, MTF or OTF.
- d) Contracts or transactions involving instruments not covered in the above points, provided they are capable of being traded in a secondary market, whether official or not, even if their underlying assets are non-financial. This includes commodities, raw materials, and any other fungible goods.

29. Cecabank securities and financial instruments

Cecabank securities and financial instruments refer to the securities and financial instruments listed in the previous point that are issued or guaranteed by the entity.

30. Close links

Close links are understood as:

- a) Direct or indirect ownership of 20% or more of the voting rights or capital of a company, or
- b) A control relationship. Control is presumed to exist in any of the following circumstances:
 - holding the majority of voting rights;
 - having the power to appoint or remove the majority of the members of the administrative body;
 - being able to exercise the majority of voting rights by virtue of agreements with third parties;
 - having appointed the majority of the members of the administrative body.

ANNEX II. APPLICABLE LEGISLATION

1. The main rules of conduct in the securities markets are contained in the following provisions:

- a) Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014, on market abuse (Market Abuse Regulation or MAR), as well as all European regulations and directives adopted under its framework.
- b) Commission Delegated Regulation (EU) 2016/957 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the appropriate arrangements, systems and procedures as well as notification templates to be used for preventing, detecting and reporting abusive practices or suspicious orders or transactions.
- b) Consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015 of 23 October.
- c) Royal Decree 217/2008 of 15 February regarding the legal structure of investment service companies and other providers of investment services, and which amends the Regulations of Law 35/2003, of 4 November, on Collective investment Institutions, approved by Royal Decree 1309/2005 of 4 November.
- d) Circular 3/1993, of 29 December issued by the Spanish National Securities Market Commission (CNMV), on operation records and filing of order justifications.

2. The rules of conduct in the area of collective investment are contained in the following provisions:

- a) Chapter I of Title VI of Law 35/2003 of 4 November on collective investment institutions.
- b) Title VI of the Regulation implementing Law 35/2003 of 4 November on collective investment schemes, approved by Royal Decree 1082/2012 of 13 July.
- c) Commission Delegated Regulation (EU) 2016/438 of 17 December 2015, supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries.

3. The rules of conduct in the area of pension funds are set out in Articles 85.a, 85.b, and 85.c of the Pension Plans and Funds Regulation, approved by Royal Decree 304/2004 of 20 February.

4. The rules of conduct concerning voluntary social welfare entities are established in Article 66.3 of Decree 203/2015 of 27 October of the Basque Country, which approves the Regulation of Law 5/2012 of 23 February on Voluntary Social Welfare Entities.

