

Engie Global Markets

Conflict of Interest Policy

1. Introduction

ENGIE Global Markets (“EGM”) is an investment services provider licensed by the Autorité de Contrôle Prudentiel et de Résolution (“ACPR”) and the Autorité des Marchés Financiers (“AMF”) and authorized to provide the following investment services: Execution of orders on behalf of clients, Dealing on own account, and Investment advice. EGM also provide trading services related to energy markets.

ENGIE Global Markets has established and maintains this policy to identify, prevent and manage conflicts of interest that may arise when providing services to its clients in France and through its offices within the European Union; it follows the rules and principles issued by Engie Group and the “Global Energy Management and Sales” business entity (“GEMS”).

The purpose of this Policy is to inform EGM’s clients on how conflicts of interest are managed within EGM. It is available on EGM’s website: <https://www.engie-globalmarkets.com/about-us/ethics-and-compliance/>.

2. Applicable regulation

The following regulation framework is applicable to EGM as a regulated entity providing investment services:

- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (MiFID II);
- Regulation (EU) n° 596/2014 on market abuse (MAR);
- Regulation (EU) n° 1227/2011 on wholesale energy market integrity and transparency (REMIT);
- Article L. 533-10 II of the French monetary and financial code;
- Articles 313-4, 313-5, and 313-20 of the AMF General Regulation;
- Article 38 of the Order of 3 November 2014 relating to the internal control of banking and financial institutions regulated by the ACPR;
- EBA guidelines on outsourcing arrangements of 25 February 2019.

3. Definitions

Conflicts of interest are circumstances where the interests of clients or potential clients to whom EGM or its representatives provide services are inconsistent with, or diverges from, the interests of:

- EGM or ENGIE Group companies;
- EGM representatives or staff;
- another client or counterparty.

This includes actual, potential and perceived conflicts of interest:

- Actual: a conflict of interest currently exists;
- Potential: no conflict of interest currently exists, but circumstances do exist that mean there could be a conflict in the future;
- Perceived: there is no actual or potential conflict of interest, but any reasonable person might perceive or believe that a conflict exists.



4. Identification and detection of conflicts of interest

Conflicts of interest can result from the following situations:

- When the clients' interest cannot be protected: EGM or one of its staff is likely to make a financial gain or avoid a financial loss at the expense of a client;
- When the equal treatment of clients cannot be satisfied:
 - (i) EGM or one of its staff has a financial or other incentive to favour the interests of a client over those of another client; or
 - (ii) EGM or one of its staff has an interest in the outcome of a service or transaction provided to or on behalf of a client, which is distinct from the interest of such client in that outcome;
- When segregation of entities or business activities conflicting within EGM cannot be ensured (e.g. one entity benefitting from confidential or inside information from another entity);
- When EGM or one of its staff receives an inducement (in the form of payments, goods or services, other than the standard commissions or fees for that service) from a person other than a client in relation to the services EGM provides; or
- When independence of functions within EGM is not preserved: the reporting line or management of a decision taker in a transaction within EGM affects its capacity to take appropriate decisions in the most objective and independent way.

EGM maintains a cartography of potential conflicts of interest which may arise in the performance of its activities as well as conflicting situations which occurred in connection with the corporate life of EGM. The cartography details the measures set up to avoid and limit the risk of conflict of interest and the controls in place to assess compliance with these measures. It is reviewed by the Compliance, Ethics and Privacy ("CEP") Department on a yearly basis and when new situations of conflict of interest are identified.

5. Preventing conflicts of interest

The Code of Conduct centralizes the main ethic rules applicable to EGM. Its purpose is to set ethics rules and ultimately to protect clients' interests and the integrity of markets.

These rules aim at preventing or limiting conflicts of interest within EGM and in conducting day-to-day business, such as:

- Ensuring the primacy of the interests of clients;
- Monitoring management of confidential and inside information;
- Controlling and assessing the performance of outside business activities by persons working for EGM (including directors);
- Monitoring gifts, entertainment and hospitality offers; and
- Limiting and controlling personal transactions on financial instruments.

Special attention is brought to the segregation of conflicting functions and activities.

EGM has set up an organization scheme designed to ensure an effective separation of trading activities opposing EGM's and its clients' interests: proprietary trading (or value trading) and asset-back trading are segregated from services offered to external clients, in order to avoid conflicts of interest, front-running and market abuse. Combination of different activities within the same entities / teams can be authorized provided that rules and segregation of activities / information are duly documented and respected.

Operational activities (e.g. market activities / Front, Middle and Back-Office) do not share their reporting lines to reduce the risk of conflict of interest between teams.

Control functions (Internal control, Compliance, Risks and Internal audit) are independent from the operational units they control or supervise.

Other internal organization and governance measures also ensure prevention of conflict of interest, including:

- Disclosure of any corporate mandates held by collaborators out of EGM to assess any potential conflict;
- Assessment of potential conflicts of interest relating to the personal situation of collaborators (or, where applicable, of their relatives) conflicting with their ability to perform their functions with integrity;
- Segregation of conflicting functions and activities, and prohibition or control of the accumulation of functions ;
- Segregation of IT access rights and physical access rights where necessary;
- Assessment of potential conflicts of interest related to the launching of new products or services and to the onboarding of new counterparties;
- Application of a remuneration policy designed to limit conflicts of interest, especially for risk takers; and
- Maintenance of an ethics and compliance culture within the organization, including regular trainings and internal communications, to ensure awareness of such risks.

6. Management of conflict of interest

Any person that identifies or finds themselves in a position of conflict of interest shall refer to the Compliance, Ethics & Privacy Department.

When a conflict of interest is identified in relation to a transaction, a service or a person working for EGM, the following measures can be taken, after assessment by the Compliance, Ethics & Privacy Department:

- **Accept the transaction, project or situation** if mitigating procedures ensure a robust management of the conflict of interest and the protection of clients' interests. Validation is given depending on situation and possible mitigation measures;
- **Reject the transaction, project or situation** if the risk of conflict of interest is material and there is no adequate mitigating process to manage it;
- **Inform the affected clients** in instances when the risk cannot be completely avoided and the conflict of interest is material, written information will be disclosed to the client to take an informed decision with respect to the service/transaction in the context of which the conflict of interest arises.

The Compliance, Ethics & Privacy Department records in a specific and confidential register all disclosed and identified conflicts of interest, the decision taken and the mitigation measures implemented.

Further information on the management of conflicts of interest within EGM can be obtained from the Compliance, Ethics & Privacy Department upon request : compliance-ethics-privacy.gem@engie.com.