

Guidelines

Guidelines for exercising voting rights and engagement activity

Implementation of the Italian principles of Stewardship for exercising administrative and voting rights in the listed companies

Banco**Posta** Fondi SGR

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Introduction

These guidelines regarding exercising voting rights and engagement activity (hereafter "Policy") of BancoPosta Fondi SGR (Hereafter "SGR") defines measures and procedures for:

- ensuring that voting rights are exercised in accordance with the investment objectives and policy of the relevant fund, with the objectives of the SGR and with the company regulatory system, with particular reference to the Responsible Investment Policy adopted;
- monitoring underlying capital measures (corporate actions);
- preventing or managing any conflicts of interest arising from the exercise of voting rights;
- promoting the correct management of ESG matters through profitable dialogue with the issuers of the securities held within their own financial portfolios.

It is highlighted that BancoPosta Fondi SGR manages almost exclusively portfolios that do not envisage direct investment in individual share issuers.

The SGR has delegated the management of funds envisaging individual issuers of shareholdings to third parties, as laid down by art. 33 of the Amalgamated Law on Finance - TUF; the management delegation agreements stipulated between BancoPosta Fondi SGR and the delegated managers of the funds envisage that exercising the voting rights concerning the managed financial instruments – that for these funds rests on BancoPosta Fondi SGR – is granted to the delegated investment managers.

The manners delegating exercise of the voting rights are regulated by art. 142 of the Amalgamated Law on Finance - TUF that envisages that "voting delegation is signed by the delegator, it can be revoked and can only be granted for individual meetings already convened, with effect for any subsequent convocations; it cannot be issued in blank and must indicate the date, the name of the delegate and the voting instructions. The delegation can also only be granted for some of the voting proposals indicated in the delegation form or only for some items on the agenda. The representative is obliged to vote on behalf of the delegator also on the items on the agenda, about which they have received instructions, not subject to the solicitation. The shares for which the even partial delegation has been granted are calculated for the purposes of the regular constitution of the Shareholders' Meeting".

Art. 112 of the CONSOB Regulation 20307/2018 envisages that the strategies adopted by the managers for exercising the voting rights are regulated by article 37 of the Regulation (EU) 231/2013; art. 37 mentioned envisages that the SGR must draw up suitable and effective strategies to determine when and how voting rights held in the portfolio of the managed funds are to be exercised, to the exclusive benefit of the funds and of its investors.

This Policy is adopted by the Board of Directors. To implement the provisions contained in this document, SGR avails of the Market Analysis and Indirect Management and Middle Office Investments and Controls Departments. The Management Committee of the SGR is entitled to propose modifications to the Guidelines in response to particular needs arising that must be subject to the approval of the Board of Directors.

1 Objectives, application environment and manner of transposition

This document responds to the following main objectives:

- describing the criteria and methods of exercising the voting rights connected to the shares held by the OICVMs managed internally by the delegated investment managers;
- defining the criteria and the manner of performing the engagement activities with the issuers of the securities in the financial portfolios;
- identifying the suitable instruments of reporting the activities of exercising voting rights and engagement performed.

BancoPosta Fondi S.p.A. SGR has transposed “the Italian principles of Stewardship” (hereafter the “Principles”) drawn up by Assogestioni for exercising administrative and voting rights in the listed companies; therefore the structure of this document is coherent with the “Italian Principles of Stewardship”, which it is inspired by.

Specifically, the titles of the paragraphs of these Guidelines indicate the reference Principle to which the indicated provisions refer.

These Guidelines apply to BancoPosta Fondi S.p.A. SGR.

2 Definitions, Abbreviations and Acronyms

Acronyms

Acronym/abbreviation	Description
CdA/BoD	BancoPosta Fondi S.p.A. SGR Board of Directors
CONSOB	Commissione Nazionale per le Società e la Borsa (Italian Securities and Exchange Commission)
NAV	Net Asset Value
OICVM	Undertakings for Collective Investments in Transferable Securities
SGR	Asset Management Company
TUF	Consolidated Law on Finance

Definitions

Term	Description
Delegated Investment Manager	Broker qualified to provide asset management services, who manages, even partially, the assets of a OICR on the basis of a specific delegation received from the SGR in compliance with the criteria defined in the delegation itself.

3 Reference principles and regulations

The activities regulated by this document must be carried out in respect of the legal provisions in force as well as of the principles and rules of behaviour contained in the Code of Ethics of the Gruppo Poste Italiane and in the other company legislative instruments and is based on the main European regulations on the subject (Italian Principles of Stewardship of Assogestioni, FRC UK Stewardship Code, EFAMA Stewardship Code).

RISK AND PROCESS-BASED APPROACH – On the basis of an integrated representation of the risks that affect the activity of the Gruppo Poste Italiane, the ESG process is based on a preventive approach to the risks, contributing to the making of conscious decisions and, where possible, to the translation of the main risks into opportunities and a competitive advantage.

PROCESSES APPROACH – The Internal Control and Risk Management System (SCIGR) is based on a processes approach, regardless of the placement of the relevant assets in the organisational and corporate structure of Poste Italiane S.p.A.

REPUTATION DRIVEN APPROACH AND STAKEHOLDER MONITORING – Managing the corporate activities in view of governing the reputation that the stakeholders have of the Company. Constant monitoring of the “sentiment” of the various stakeholders to manage the potential impact deriving from a negative perception of the Company behaviour and image. Understanding the main expectations and worries of its own stakeholders means knowing and protecting the value deriving from the company reputation.

CORPORATE INDEPENDENCE OF THE SUBSIDIARIES – The Corporate independence is guaranteed as regards the establishment and maintenance of a suitable and operating SCIGR, in respect of the directives and coordination defined by Poste Italiane S.p.A.

COHERENCE WITH CORPORATE OBJECTIVES – The activity on ESG issues is aimed at ensuring the running of the enterprise focussed on sustainable development and on maximising the value of the company, in compliance with the corporate objectives and with the stakeholders' expectations.

COMMUNICATION AND INFORMATION FLOWS – The information necessary to fulfil its own responsibilities is made available to every entity/structure, including those regarding SCIGR.

COMPLIANCE WITH THE LAWS AND COHERENCE WITH THE GENERAL REFERENCE LEGAL FRAMEWORK – The Guidelines are defined in respect of the applicable laws in Italy and in Europe in compliance with the internal reference framework, including but not limited to: the Articles of Association, the Code of Ethics, the organisational, management and control model pursuant to Legislative Decree 231/01, the organisational system, the system of powers and delegations and the domestic and international best practices.

KNOWLEDGE AND AWARENESS - the SCIGR plays a key role in the company organisation: it represents a fundamental element of knowledge for Corporate Bodies to guarantee them full awareness of the situation and effective monitoring of corporate risks and their interrelationships, to guide changes in strategic lines and corporate policies and to allow coherent adaptation to the organisational context.

RISK AND CONTROL CULTURE – Also with reference to the processes within ESG, the Gruppo Poste Italiane disseminates the risk and control culture, meaning all the rules of behaviour that make up the collective and individual capacity to identify, measure and mitigate the current and future risks of the organisation.

ETHICS, FAIRNESS AND TRANSPARENCY IN CONDUCTING BUSINESS – The Gruppo Poste Italiane is committed to consolidating an integrated management system aimed at implementing suitable instruments to ensure a transparent dialogue with customers, suppliers and citizens. In this context the Gruppo Poste Italiane adheres to the UN PRI (United Nations Principles for Responsible Investments), an official United Nations supported initiative,

in partnership with the Global Compact and UNEP FI (the partnership between the global financial sector and the United Nations environment Programme).

GOVERNANCE OF THE REPUTATIONAL RISK – Integrated system of monitoring reputational risks throughout all the stages of carrying out business activity. The framework involves the management and mitigation of the reputational risks being carried out through specialist monitoring by corporate structures with specific tasks of defending the reputation and by means of a centralised mechanism that coordinates the process of Reputational Risk Management.

INCLUSION – The Gruppo Poste Italiane operates to favour diversity with a view to sustainable and inclusive company growth, preventing and contrasting any form of discrimination.

RESPONSIBLE INVESTMENTS – Gruppo Poste Italiane considers it fundamental to define a Strategy of Sustainable Finance and undertakes to implement the directives in its operations, using the main components of the sustainable finance policy as operative elements for performing the responsible investment activities.

MANAGEMENT ACCOUNTABILITY – Within the functions covered and in achieving the related objectives, the Management actively participates in the process of Group Risk Management and guarantees the suitability of the SCIGR for the activities falling under its remit, participating actively in its correct operation.

REDUCTION OF ENVIRONMENTAL IMPACT – The approach of Gruppo Poste Italiane is based on environmental respect, with respect to buildings (green buildings) and to internal processes (digitalization) and means of transport (green mobility and sustainable logistics).

SEGREGATION OF TASKS AND ACTIVITIES – The Group Risk Management process envisages segregation of tasks and responsibilities between distinct organisational units or within them, also in terms of ESG, in order to prevent incompatible activities from being concentrated under common responsibilities.

INTEGRATED SYSTEM – The components of the integrated internal control and risk management system are coordinated between one another and interdependent, and the system, as a whole, is in turn integrated in the general organisational, administrative and accounting structure.

TERRITORIAL DEVELOPMENT – In line with its territorial presence, the Gruppo Poste Italiane proposes to accompany the territorial communities in the processes of modernisation and digitalisation in progress thus contributing to the development processes and social cohesion of the Country, also through a structured and transparent dialogue with its own stakeholders.

TRACEABILITY – The people involved in implementing the Guidelines must guarantee the traceability of the activities and of the documents regarding the process, each for their own area of competence, ensuring the identification and the reconstruction of the sources, of the information elements and of the controls performed that support the activities.

4 Objective of the Policy (Principle 1)

On the basis of the Italian Principles of Stewardship developed by Assogestioni and of the relevant applicative recommendations, BancoPosta Fondi S.p.A. SGR adopts a documented policy on the strategy for exercising the rights regarding the financial instruments pertaining to the OICRs and to the portfolios managed for the purposes of defining and communicating:

- the participated listed issuers monitoring methods;
- the *engagement* strategy, including the approach to collective *engagement*;
- the strategy of aware exercising of voting rights;
- the management of conflicts of interest;
- managing privileged information;
- the approach to the operations of securities lending and returning the securities lent.

5 Monitoring the participated listed issuers (Principle 2)

BancoPosta Fondi SGR's responsible investment process is based on an activity of assessing the investment operations that also takes into account the economic and financial prospects as well as the environmental, social and governance profile of the issuers present in their own portfolios.

The monitoring of the individual share issuers is implemented through investment management companies to which the SGR has delegated investment management as laid down by art. 33 of the Consolidated law on finance and that have aligned themselves with the Italian Principles of Stewardship or equivalent ones adopting their specific Guidelines for exercising the right to vote. In the event of not aligning with the Principles of Stewardship, it is fundamental that the Delegated Investment Manager:

- 1) belongs to a business group inside which the Lead Company (or another company of the group) has undersigned the Principles of Stewardship or equivalent and works in respect of its Group's guidelines;
- 2) has adopted its own Strategy for exercising administrative and voting rights aimed at participating in meetings of selected companies by taking into account the significance of the shareholding for managed assets and the possibility for the SGR to affect their decisions by virtue of the actions with the voting rights held.

For "corporate" issuers, the environmental, social and governance profile of the participated listed issuers is defined by, for example, analysing the management method and the performances in sectors connected to environment, customers, suppliers, human rights, human resources, local communities and corporate governance.

The engagement activities are aimed at monitoring the participated listed issuers in order to be able to act proactively to identify the problems early and to minimise the potential losses of value and to determine when it is necessary to establish an active dialogue.

The same activities may consist of meetings with the management of the issuers, communications for the governing bodies or liaising in pools with other institutional investors.

6 Intervention strategies and methods / engagement (Principle 3)

The SGR undertakes to create a constructive dialogue by promoting an interaction with the issuers subject to investment, encouraging an effective comparison with the company management to analyse the economic and financial prospects, as well as the environmental, social and governance ones. This dialogue may be carried out individually by the SGR or in collaboration with other investors. Furthermore, the SGR can directly carry out engagement activity on economic and financial matters with the specific companies subject to investment or collectively through the activities of the Corporate Governance Committee and of the Committee of Investment Managers promoted by Assogestioni.

The *engagement* activity, both on financial / economic matters and on ESG matters, may consist of meetings with the management of the issuers, communications to the governing bodies or pool liaising with other institutional

investors. This method (collective *engagement*) is also considered if the individual action of liaising with the corporate bodies of the participated issuer is not satisfactory. The *engagement* methods are chosen on the basis of the nature of the theme which is to be discussed or of its relevance, also considering the necessary timing.

In any case, the approach to the activity of *engagement* is dynamic, insofar as it is subject to a periodic assessment to verify its effectiveness.

For the issuers held in the delegated portfolios as laid down by art. 33 (4) of the Consolidated Law on Finance - TUF, the *engagement* activities, whether they be on financial and economic aspects or on ESG matters, are assigned to the respective Delegated Investment Managers. The SGR assesses the *engagement* policies adopted by the Delegated Investment Managers by monitoring the outcomes of these activities regarding the issuers held in the portfolios delegated to them. In the event of absence of its own policies, the SGR proposes the application of these Guidelines to the Delegated Investment Managers.

Finally, the *engagement* activities of the SGR focussed on ESG matters are the responsibility of the Management Committee, that is helped by the Market Analysis and Indirect Management Department, responsible for monitoring the ESG profile of the companies in portfolio.

These activities can be "spontaneous" (in order to spread best practices) or "reactive" (following an emerging criticality/disputes). In the latter case, the *engagement* activities are implemented against a worsening of the overall ESG rating and/or of the rating regarding the individual environmental, social or governance dimensions of the issuer, or against the onset of disputes that concern it. The *engagement* may also arise from the determination of criticalities emerging in the shareholders meeting or on other occasions of dialogue with the issuer.

The *engagement* policy of the SGR focussed on ESG matters may follow these approaches:

- Awareness: it consists of meetings with enterprises aimed at influencing their procedures by means of recommendations on specific ESG themes, materials for the specific business sector. These recommendations are the result of analysis and research carried out by BancoPosta Fondi SGR, also on the basis of studies published domestically and internationally and of the participation in international meetings aimed at supporting the institutions and the enterprises to adopt measures to solve criticalities connected to these matters;
- Monitoring: this form of *engagement* has the aim of exploiting meetings with the enterprises in the portfolio to add data and information useful for the correct assessment of their ESG profile;
- Vote: it consists of exercising voting rights in the meetings on ESG matters and is carried out within the activities regulated in the previous paragraph of this document.

The *engagement* activities of the SGR focussed on ESG matters have the purpose of creating awareness as regards ESG risks that can impact the business and cover the way of managing these risks implemented by the issuers, by:

- defining an ESG strategy with well-defined objectives and times;
- improving governance with reference to ESG matters;
- transparency on ESG strategy, governance and performance;
- internal and external assurance on ESG strategy, governance and performance;
- abiding by standards and participating in external initiatives held domestically and internationally.

6.1 Matters subject to engagement

The *engagement* of BancoPosta Fondi SGR, on economic and financial aspects as well as on ESG matters, are focussed on the most significant subjects for the companies in the portfolio.

In this regard, the Market Analysis and Indirect Management Department carries out an analysis of materiality of the ESG matters, identifying those that have a significant impact for the company business and a significant influence for the reference stakeholders. This analysis is also carried out:

- By analysing the company's characteristics, with particular reference to operating sector, geographical areas of operation and dimension – with a specific attention to “controversial” sectors from an ESG viewpoint;
- By assessing what is suggested by international guidelines and standards and what has emerged from peer analysis activity or from stakeholder *engagement* activity.

In general, the following issues are taken into consideration, broken down, if necessary, into detailed subjects on the basis of the materiality analysis performed:

- Climate changes (including carbon emissions, etc.);
- Natural capital (including water stress, supply of raw materials, etc.);
- Pollution and waste (including the lack of an environmental management system, toxic emissions and waste, etc.);
- Human capital (including child labour, working standards of the supply chain, health and safety, etc.);
- Involvement in highly controversial projects.
- Anti-corruption policies;
- Composition of the board;
- Internal control system;
- Rights of the shareholders;
- Remuneration policies.

7 Collective engagement (Principle 4)

In some circumstances, such as, in the event of significant corporate events, problems of public interest, or if the result of individual dialogue with the corporate authorities of the subsidiary is not satisfactory, the SGR assesses the possibility of intervening through an activity of collective *engagement*. In doing so, the SGR undertakes to pay particular attention to the rules on concerted action. During the performance of collective *engagement* activity, the SGR shall take into account the market regulations and its own internal policies regarding the management of conflicts of interest and of privileged information.

8 Exercising voting rights (Principle 5)

Currently, the SGR does not directly manage UICTS or Individual Portfolio Management containing individual share issuers. Share investments with individual issuers are, however, present in the UICTS delegated by BancoPosta Fondi SGR, as laid down by art. 33 (4) of the Consolidated law on finance, to third party SGR which have aligned themselves with the Italian Principles of Stewardship or equivalent ones adopting their specific Guidelines for exercising the right to vote that are assessed by the SGR as described in paragraph 8.1. In the event of the Delegated Investment Managers not aligning with the Principles of Stewardship, please see what has already been specified in paragraph 5.

If, in future, the SGR should carry out the direct management of UICTS or Individual Portfolio Management containing individual issuers of shares, it shall adopt the appropriate protection, even with the contribution and the support of external companies specialised in providing services related to exercising voting rights.

This being stated, the subsequent paragraphs (8.1 and 8.2) will clarify the manner of exercising voting rights by the Delegated Investment Manager and by BancoPosta Fondi SGR.

These Guidelines and the reference company organisational documents is subject to continual updating, also in the event of legal modifications and organisational and operative changes and changes adopted by the SGR, and anyway at least annually.

8.1 Exercising voting rights by the Delegated Investment Manager

The investment management companies to which the SGR has delegated investment management as laid down by art. 33 (4) of the Consolidated Law on Finance will adopt their own specific Guideline for exercising the right to vote. The SGR will assess these Guidelines adopted by the delegated investment management companies by monitoring their exercising of the voting right, without prejudice to the right to exercise it directly.

The SGR assesses the Guidelines as well as the organisational and procedural structure adopted by the Delegated Investment Manager to support exercising the voting right by analysing the organisational documentation received by it and by means of meetings/interviews with the structures responsible for carrying out the activity. These activities are carried out in the preliminary stage prior to determining and selecting the Delegated Investment Manager and during the subsequent updates of these Guidelines.

Among the aspects assessed, the following are taken into consideration:

- attention thresholds relevant for the purposes of exercising voting rights;
- the transposition of the Italian principles of Stewardship or equivalent ones for exercising administrative and voting rights in the listed companies adopted by Assogestioni; In the event of the Delegated Investment Managers not aligning with the Principles of Stewardship, please see what has already been specified in paragraph 5;
- the way of exercising voting rights (operative architecture and instruments used) which are in line with the sector's best practices.

The SGR receives information from the Delegated Investment Managers on its intention of exercising voting rights and on the relevant decisions during the individual shareholders' meetings related to the issuers in the portfolio.

Furthermore, in the cases of issuers considered "significant" (as indicated in paragraph 8.2 below), the SGR asks the Delegated Investment Managers to be informed of the planned meetings and of the participation and voting intentions. In these cases, it will monitor participation in the meetings by the Delegated Investment Manager for the purpose of exercising voting rights, using specific reports.

The SGR acquires the documentation regarding the various items on the agenda from the Delegated Investment Manager and provides information on how to vote in the name of and on behalf of the SGR. This documentation is made available to the Market Analysis and Indirect Management Department, to the independent Directors and to the Internal Audit¹ and Compliance and Anti-Money Laundering Departments of BancoPosta Fondi SGR, for the purposes of the respective relevant audits.

8.2 Exercising voting rights by BancoPosta Fondi SGR

The exercising methods are indicated below.

1) the SGR directly exercises the right to vote in the event of presentation and subsequent voting of the lists of candidates for electing in administrative and control bodies of issuers listed on Italian markets, also delegating a specific representative (different from the Delegated Investment Manager), in line with the principles and criteria determined by the Committee for Corporate Governance of Assogestioni, within the relevant shareholdings of the UICTS managed (directly or delegated pursuant to art. 33 (4) of the Amalgamated Law on Finance - TUF) and of the Individual Portfolio Management activities.

2) Furthermore, the SGR shall ask the Delegated Investment Managers to be informed of the meeting events envisaged and of the intentions of participation and voting for the issuers considered "significant" within the relevant shareholdings of the UICTS managed (directly or delegated pursuant to art. 33 (4) of the Consolidated Law on Finance) and of the Individual Portfolio Management activities. In this case the Delegated Investment Manager will exercise the voting rights on the instructions of the SGR.

"Significant" issuers – and, therefore, those subject to exercising the voting rights – are those issuers for whom the following conditions occur jointly:

- a) the total number of shares held by all the UICTS managed and Individual Portfolio Management activities, is greater than 1% of the total of the shares issued of the same category;
- b) the shareholding represents a significant weight in the UICTS managed and Individual Portfolio Management, in which significant means a weight exceeding 1% of the "NAV/Total Assets" in at least one of the UICTS/ Individual Portfolio Management activities, which has the shares in portfolio.

3) Finally, SGR can also assess whether to exercise the right to vote for cases in point different from those represented in the previous points. In this case, the Market Analysis and Indirect Management Department shall prepare a disclosure to the Managing Director in relation to the participation in company meetings as well as exercising voting rights for the purposes of the subsequent deliberations. The Managing Director shall inform the Board of Directors about these decisions.

The assessment regarding exercising voting rights is performed by the SGR on the basis of a cost-benefits analysis that also considers the investment objectives and policy of each fund.

In particular, the interest of the SGR in assessing whether to exercise the voting rights or not is represented by the economic effect of the proposal to the meeting agenda on the value of the shareholdings held in the portfolios of the UICTS, taking into account the relative impact both in the short and in the long term. In some cases the SGR may

¹ Department in full outsourcing to Poste Italiane – Patrimonio BancoPosta

consider that the value of the shareholdings may be increased by supporting the company strategies and voting in favour of the management's proposals; in other circumstances the proposals made by the management may have a negative impact on this value whereas some proposals presented by the shareholders may represent the best opportunities of an increase of this value.

However, the SGR reserves the right to not exercise its voting rights if exercising it may not be translated, to all effects, in an advantage for its own customers, like for instance in the following cases:

- the amount effectively held on the individual portfolios managed is low with respect to the market capitalization of the individual financial instrument;
- the administrative costs associated to this process are significant, also in relation to the amounts effectively held on the different portfolios managed and to the concrete possibility of influencing the meeting vote;
- it should be necessary to block the financial instruments for an extended period of time, an activity that may make it impossible to take advantage of any market opportunities.

Furthermore, situations may occur in which BancoPosta Fondi SGR is in disagreement with respect to the management resolutions. In these periods, before expressing a vote contrary to the management's resolutions that may have significant effects on the participated listed issuer, BancoPosta Fondi SGR shall assess the hypothesis of starting up forms of *engagement* with the issuer, in the best interest of the investors, as long as this is considered as an appropriate action and is not forbidden by law or by the contract related to the portfolios managed.

Particular attention shall be paid to shares held in the portfolios of the UICTS in relation to which a conflict of interest may arise, which may potentially be detrimental to the subscribers of the UICTS themselves. In this regard, it is pointed out that the Independent Directors present in the Board of Directors of the SGR carry out their function also in respect and in the interest of the participants. For this purpose, the Independent Directors will check the correct application of the principles and of the procedures regarding exercising voting rights.

8.3 Administrative activities

The Market Analysis and Indirect Management Department takes care of the relations with the Delegated Investment Managers.

The Middle Office Investments and Controls Department takes care of the administrative fulfilments connected to the participation in company meetings and to exercising voting rights with the Depository.

These company Departments will keep the specific documentation that records the relevant activity carried out pursuant to these Guidelines.

9 Monitoring procedures of the relevant capital measures (corporate actions)

Limited to the issuers held in the delegated portfolios as laid down by art. 33 (4) of the Consolidated Law on Finance - TUF, the monitoring activities of the capital transactions are assigned to the respective Delegated Investment Managers who implement their own strategies also in compliance with the Principles of Stewardship they have aligned with. In the event of the Delegated Investment Managers not aligning with the Principles of Stewardship, please see what has already been specified in paragraph 5.

10 Prevention and management of the conflicts of interest

In order to prevent or manage any conflicts of interest, even deriving from exercising voting rights or from collective *engagement* processes, BancoPosta Fondi SGR is subject to the organisational measures in force and to the company procedures adopted. BancoPosta Fondi SGR considers that the following situations provide a conflict of interest of the right to vote concerning relevant financial instruments of the managed Assets:

- issued by companies of Gruppo Poste Italiane or by companies with which the Group companies have strategic relations;

- issued by companies whose main exponents are also members of the corporate bodies of the SGR or with which the SGR has strategic relations.

In this regard, as a preventive measure of neutrality, the SGR does not exercise voting rights concerning its shares by not participating in the Meeting.

11 Managing privileged information

Within the activity of monitoring and *engagement*, BancoPosta Fondi SGR asks the participated listed issuers and their consultants to ensure that any information that may compromise the capacity of these issuers to negotiate the financial instruments is not communicated without prior consent.

12 Lending securities and returning securities lent

The investment activity envisages the possibility of securities lending with the subsequent monitoring of the returning processes of the securities lent also in relation to any exercising of voting rights.

13 Traceability of exercising the voting rights and reporting the engagement activities (Principle 6)

BancoPosta Fondi SGR tracks the exercising of the rights related to the financial instruments of the OICRs and of the portfolios managed, giving evidence of the method of exercising voting rights through the publication of the annual Reports of managing the OICRs managed and the disclosure, on its own website, of information regarding the meetings in which the rights have been exercised. These documents include both qualitative and quantitative information.

The *engagement* activities on ESG matters are monitored and assessed periodically by the Management Committee on the basis of the information provided by the Market Analysis and Indirect Management Department. With satisfactory improvement in the dimension subject to *engagement*, it is considered concluded. Otherwise, the company remains subject to *engagement*, but in the absence of tangible improvement in time, further actions can be assessed.

The SGR undertakes to communicate, at least annually, the implementation of the principles contained in these Guidelines and the *engagement* activity performed.

13.1 Storage

The Market Analysis and Indirect Management Department will keep the specific documentation which records the relevant activity carried out pursuant to these Guidelines.

14 Responsibility, disclosure and updating

The Market Analysis and Indirect Management Department is the Department responsible for the document, ensuring that it is updated.

These Guidelines are communicated to all the personnel, also assessing special and specific training sessions according to the operative environments, to the roles and responsibilities, and is made available on the corporate website of the BancoPosta Fondi SGR to all the stakeholders, including the market, the financial community and the institutions.

The SGR also publishes a summary of the strategies adopted by delegated investment managers on its website.

The managers of the company Departments are responsible for integrating the commitments defined by the Guidelines within decisions and business operations.

These Guidelines will be assessed for the purposes of being updated at least once a year, in the light of anything emerging from the monitoring of the domestic and international trends regarding exercising voting rights and responsible investing.

15 References

This document is deemed to be coherent with the internal legal instruments and the external reference laws in force applicable to BancoPosta Fondi SGR. For details please refer to the document "Tools and Legal References".

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