

Title

**Conflict of Interest**

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Coverage

**Bradesco Asset Management**

Short Description

**Rules for identifying, managing and mitigating potential or actual conflicts of interest.****Latest Changes**

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**Latest Changes**

Revision of the Standard without changing rules and procedures.

**1 Objective**

To establish rules to identify, manage and mitigate potential or actual conflicts of interest that may exist in the exercise of third-party asset management activities in

order to preserve and protect the interests of clients and ensure the independence of management activities.

## 2 Applicability

This rule applies to the [Bradesco Asset Management Department](#) ("Bradesco Asset"), as well as to third parties that may be hired.

## 3 Definitions

Conflict of Interest is the set of conditions in which a professional's judgment regarding a primary interest tends to be unduly influenced by a secondary interest.

Types of Conflicts of Interest:

- Obtaining financial advantage to the detriment of the customer;
- Acts to avoid financial loss to the detriment of the client;
- Promoting the interests of one or more clients to the detriment of other clients, whether by financial inducement or not;
- Promoting the interests of others to the detriment of the client, whether by financial inducement or not

## 4 Principles

**Prevalence of customers' interests:** decisions, processes, and controls, must serve the interests of the customers.

**Responsibility:** it is mandatory that employees disclose potential conflicts of interest in the course of their activities.

**Fairness:** the third-party asset management process must ensure equitable treatment of clients.

**Diligence:** activities must be carried out with promptness and care with respect to clients.

**Ethics:** ethical conduct and moral values guide the management of conflicts of interest at all levels, adopting all appropriate measures to assist in their identification and proper management, including the immediate and prompt resolution of conflicts as they arise.

**Compliance:** fulfilling all legal and regulatory requirements related to conflicts of interest

**Transparency:** providing information that is clear, current and complete, and not likely to mislead clients.

## 5 Committees

The decision-making forums have the following rules:

- Mitigate any conflicts of interest that occur within the scope of your duties;
- Having well-defined and transparent objectives;
- To record the minutes in a clear and objective manner;
- To have voting members who are not conflicted, or who do not vote in the event of a conflict;
- To have a member of the risk area present.

## 6 Structure

All the activities of Bradesco Asset shall be duly segregated according to the good practices of "Chinese wall", the CVM regulations, the practices recommended by the self-regulation of the market and those presented in the Bradesco Asset's Segregation of Activities Rule.

## 7 Participating Teams and Responsibilities

It is the responsibility of all areas to carry out their activities in accordance with this rule, and it is also the responsibility of the Risk Superintendence area to identify conflicts of interest and the Risks and Internal Controls Executive Committee to deliberate on the procedures for solving the potential conflicts of interest identified.

## 8 Identification of Conflict of Interest

The identification of possible conflicts of interest that may arise involves performing the following practices:

- Mapping of the main activities that may generate conflict of interest and periodic review to identify new situations;
- Mandatory disclosure by employees of any personal relationships that may cause conflict of interest;
- Monitoring telephone calls and electronic messages;

- Communication by the employee to his/her immediate superior of any situation that may affect his/her objectivity and professional independence, prior to the performance of any activity under his/her responsibility.

## **9 Elimination and Mitigation of Conflict of Interest**

Conflict of interest management includes the procedures and/or the adoption of appropriate measures according to:

- Stimulate a culture of ethics, emphasizing that all employees must be aware of potential or actual conflicts of interest;
- Disclose the Bradesco Group's Code of Ethical Conduct and formalize employee adherence to the code, undertaking to comply with the rules regarding conflict of interest;
- Segregation of functions and physical segregation so as to ensure separation between people who can make decisions and those who can influence decisions;
- Logical segregation so that access to information is in accordance with each employee's function;
- Handling customer information and insider information in a restricted manner;
- Rules of remuneration that do not generate conflict with the interests of clients;
- Select financial intermediaries according to objective and independent criteria;
- Periodically review and identify conflicts of interest resulting from new products and businesses;
- Monitor the control made by the Risk area to disclose the conflict of interest when identified, whenever these conflicts may unduly affect the best interests of the client.

In the possible situations in which Bradesco Asset has as counterparty any company of the Bradesco Group, the decision process necessarily respects the established rules and guidelines, without exception, which are materialized through formal and verifiable committees.

## **10 Asset Sales and Purchases**

All the rules and processes involving the purchase and sale of assets are:

- Previously established;

- Approved by committees;
- Equally applicable to all issuers and market counterparties.

We highlight the Risk Management Policy (item. 7 Credit and Counterparty Risk) and the Apportionment and Division of Orders Policy, which contemplate additional guidelines in their respective scopes of action.

## 11 Contracted Third Parties

The treatment of conflict of interests extends to contracted third parties and must observe the following practices:

- Analysis of contracts established with third parties;
- Due diligence process in contracted third parties.

## 12 Customers Information

Bradesco Asset will provide the client with a record by email of any facts that may characterize the occurrence of a conflict of interest.

It is worth emphasizing that the registration of the possible conflict of interest condition must contain a description of the origin of this conflict.

The record must be made before the occurrence of any fact.

## 13 Consequences Enforcement

Consequences will apply to actions related to the violation of conduct in breach of the Bradesco Group Consequences Policy and the Corporate Consequences Policy, such as, but not limited to:

<b>Non-tolerated conducts</b>
Favoring one or more customers to the detriment of other customers, through financial or non-financial incentives.
Favoring personal interests or the interests of others to the detriment of the client, through financial or non-financial incentives.

### 13.1 Form of Application of Consequences/Disciplinary Measures

It will be up to the administration of the department to which the employee is assigned to apply disciplinary measures immediately, observing the provisions of the item Types of Consequences/Disciplinary Measures of the Consequences Policy of the Bradesco Group.

**Department**

9993 / Bradesco Asset Management

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*We declare this is a free English translation of the Bradesco Asset's Conflict of Interests Policy, classified as a public document by the Bradesco Organization.*