



FIMARGE

your independent wealth managers



# CODE OF ETHICS AND CONDUCT

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## 1. INTRODUCTION

The Code of ethics and Conduct (hereinafter “Code”) of Fimarge Societat Financera d’Inversió, S.A. (hereinafter “Fimarge” or “Entity”) includes the general principles of action that assist all Subject Persons (see Part 2) in their day-to-day work. The Code aims to be guiding principles in situations of conflict of values and/or interests that regulates the principles and norms of coexistence, conduct and behavior. The Code also aims to be an expression of the will to achieve the highest ethical standards for all members of Fimarge.

## 2. SCOPE OF APPLICATION

This Code, including its annexes, are applicable to the following persons (hereinafter “Subject Persons”) with direct or indirect professional relationship with Fimarge:

- Members of Board of Directors
- Employees of Fimarge
- Other people who provide services on behalf of Fimarge and/or professionally depend on this entity, even temporarily and regardless of the type of employment and/or professional relationship that exists.

Subject Persons must know and apply this Code in their day-to-day work as well as the rules and regulations that are included. To do this, all Subject Persons must sign the Code as a declaration of commitment in which they attest that they have read and accepted its content and that they agree to comply. Similarly, all Subject Persons must cooperate in any investigation or audit conducted by Fimarge.

## 3. POLICY FRAMEWORK

Fimarge wants its action to be governed by ethical principles and values as well as the basic pillars of business activity. The Entity is committed to act in accordance with the highest ethical and professional standards in the interests of clients, employees, and the community as well as anyone who, in various ways, is directly or indirectly related to the entity.

### 3.1. Regulatory compliance

Respect for the laws and other rules, in force at all times, should be a guiding principle of all the people that make up Fimarge.

All Subject Persons of this Code are obliged to know, comply with, and collaborate in the application of the legislation and applicable regulations in force detailed in the ANNEX of this document. Likewise, all Subject Persons must know and comply with the legislation of Principality of Andorra and, where appropriate, of the countries where Fimarge’s activity is carried out.

Any Subject person who must appear before a judicial or administrative body as a complainant, defendant, witness, expert or in any other condition that may arise from their provision of services or professional relationship with Fimarge, must inform the Ethics and Corporate Conduct Committee (hereinafter “CECC, see Part 5) through the General Director, CEO, or the HR Coordinator.



### 3.2. Corporate values

The objective of the Corporate Values is to ensure the quality and sustainability of professional relationships, generating the highest level of credibility and trust towards employees, clients, and other relationships of Fimarge.

#### Transparency

Accurate, truthful, and understandable information on recommendations, procedures, and fees are provided.

Information and approaches are conveyed honestly.

#### Fairness

The honesty in charging fees is a crucial value and it is independent to the development of the financial statements of the Company.

#### Objectivity

Advices to clients are given objectively –with total independence–, free from conflicts of internal and / or external interests.

#### Reliability

Professionals interact from a sound corporate culture, capabilities, and a proven system.

#### Customer service

Clients are placed as the center of the business activity. Individualized approach and a real level of customization are provided.

#### Humble ambition

Excellence is achieved for clients by maintaining a dynamic and creative spirit, source of continual improvement of the tasks of each and all members of Fimarge, with a strong will to continuous learning.

#### Common sense

Clients' returns are maximized within a simple, solid, and non-speculative investment philosophy, to obtain rational and sustainable objectives over time, in which common sense prevails, beyond the possibilities and / or capabilities of each moment.

#### Discretion

Any professional and / or personal information are processed with the utmost discretion and confidentiality, cornerstones of a trust-based relationships.

### 3.3. Personnel values

Being a person before being a professional is an inalienable value that must be demonstrated proactively in any circumstances.

#### Loyalty

Identified with the project with loyalty

#### Integrity

Be honest and trustworthy with transparency



### Trust

Be objective and fair in the spirit of service to customers and colleagues

### Valor

Be consistent and open. Assume challenges as well as responsibility for errors

### Generosity

Be generous with your time/knowledge. Respect and listen

### Sanity

Be discreet and mature in your work and relationship

### Consequence

Your word is your bond (“*dictum meum pactum*”)

## 4. CONDUCT GUIDELINES

### 4.1. Own accounts and third-party non-clients operations

The information generated at Fimarge, of any type, is property of the Entity and its use is exclusively for the benefit of its clients, particularly, to Subject Persons.

#### Guiding principles

Any portfolio in Fimarge in which the account holder is a Subject Person, must be invested by default, in one of the vectors managed directly by the Investment Committee. If the Subject Person wishes to create a Correlated or Customized Portfolio, it is necessary to obtain the explicit approval of the CECC.

In any case, the Subject Person must refrain from conducting operations on securities and / or financial assets when:

- The securities and/or financial assets are not within the Investment Philosophy of Fimarge. It is unethical to invest on own account of Fimarge in assets and yet the capital of clients is not invested.
- A specific analysis of an issuer/asset and/or securities is being conducted. This refrain will last from the beginning of the analysis until the disclosure of the definitive recommendations, whether favorable or unfavorable, of the Investment Committee.
- The operations are intended for non-client third parties. The work carried out at Fimarge aims to benefits its clients.

#### Non-speculative investments

Subject Persons are not allowed to:

- Buyback and/or resell securities and financial instruments acquired or sold on the same day on which purchase and/or sale transaction was made.
- Execute operations with recurring / repetitive in nature (at the discretion of the CECC).
- Use leverage to execute financial operations.
- Acquire/sell assets that are not within the Investment Philosophy of Fimarge.



## Operations

Operations on own account must be done from the Department of Operations and Reporting and/or the Management Control Area. If this is not possible, prior authorization must be requested from the CECC to carry out said operations.

Over-the-counter (OTC) transactions between Subject Persons and clients are not possible.

## Formalization of execution orders

Purchase and/or sale order transactions on own account must be recorded/registered by any manual, telematic, computerized or electronic means.

The confidentiality of these data is kept at all times, without prejudice to the needs of consultation by the CECC.

## 4.2. Conflict of interest management policy

This chapter contains the general policy of prevention and management of conflicts of interest that may occur among suppliers, customers, Subject Persons and / or Fimarge.

### Detecting conflicts of interest

To identify potential conflicts of interest that may arise in providing any type of service, it will be considered if the Subject Person or Fimarge:

- Can obtain a profit or avoid an economic loss at the expense of the client.
- Can have different interest rather than of the client resulting from services rendered or in an operation on behalf of the client.
- Can obtain economic or other incentives, favoring the interests of a client or clients, over the interests of other clients.
- Can develop an activity similar to that of the client that may conflict with their interests, as a result of the information obtained from the same client.

The CECC may determine other types of conflicts of interest in which may be incurred by virtue of family, economic, professional or any other links.

### Duties before conflicts of interest

The Subject Persons have the obligation to adopt the necessary measures to prevent conflicts of interest and inform the CECC promptly, and in the event of conflicts of interest involvement with a client, supplier, or other Subject Person / Fimarge, must refrain from any type of intervention and/or decision.

### General standards for conflicts resolution

The CECC must be permanently informed of any conflicts of interest that may originate or have originated. Potential or actual conflicts are resolved by the CECC.

The CECC delegates to the Head of the affected department the execution of the conflict resolution.



### **Conflicts of interest with suppliers**

The Subject Persons, particularly with those with decision-making power over hiring, supplies or services, must avoid interferences that may affect their impartiality and objectivity.

Whenever possible, exclusive relationship with suppliers must be avoided.

All selection and hiring procedures must follow a transparent and objective processes. The Subject Persons must not interfere in the decision-making process making recommendations that stems from personal interests or favorable treatment.

### **Conflicts of interest with clients**

The Subject Persons must try to avoid an exclusive relationship with a client that may result in excessive personal connection or restrict the access to other Fimarge's employees or connections.

The advisory services must be carried out always with total transparency and honesty to the benefits of the clients, prioritizing at all times their needs over the needs of Fimarge or the Subject Person and considering all the relevant information available to make appropriate decisions.

The account or other projects information of the clients must be provided, at all times, with diligence and in a transparent manner.

In regards with the execution of orders, Subject Persons that work in trading must execute the orders chronologically in which they are issued without any alteration, unless an alteration is justified. Likewise, any decision on the type and form of investments to be made must be executed following scrupulously the instructions of the hierarchical superior, and in accordance with the policy of Fimarge.

Under no circumstances must encourage an execution of operations of a client to the detriment or benefit of another client.

Under no circumstances must recommend to a client its indebtedness finance its financial operations.

When the conflict of interest occurs among Fimarge clients, favoritism must be avoided. Similarly, it is strictly prohibited to discuss or disclose clients' operations other than to the account holder. It is also prohibited the encouragement of an operation with the objective of benefiting another client.

The client must be informed, at all times, of the possible links, economic or otherwise, that the advisor may have with him or her. Likewise, Subject Persons must not provide professional services to Fimarge's clients outside the work environment, whether paid or not, except by an express authorization of the CECC.

If the measures adopted by Fimarge are not sufficient to ensure that a risk of prejudicing the interests of the clients is prevented, the Entity must communicate transparently to those affected the nature and origin of the conflict.

### **Conflicts of personal interest**

In order to preserve independence in the advisory and management services, it is prohibited to accept any type of economic remuneration, gift, token, invitation, favor or similar, related to the professional activity of the Subject Person that has relationship with clients, suppliers,



and/or other Subject Person, as well as benefit by any means from the position held by the Subject Person to Fimarge.

Be proactive in explaining this guiding philosophy, regardless if it creates conflict of interest or not.

Any offering of this type, whether accepted or not, must be reported immediately to the CECC.

Gifts and other form of gratitude may be accepted provided that:

- Their rejection implies and inappropriate ungratefulness towards the client/supplier.
- The gift is personalized (i.e., engraved name).
- In the case to an invitation in a social event, it complements the professional work of the advisors.
- When a Subject Person, on behalf of Fimarge, receives a gift from a drawing/lottery or similar.

In these cases, freebies or gifts may be accepted exclusively on behalf of Fimarge, however, the CECC determines their distribution fairly and equitably.

No other gifts can be offered to third parties other than those expressly authorized by the management on an institutional basis.

#### 4.3. Safeguarding information and confidentiality

The Subject Persons have the obligation to protect the information of any natural or legal person that has dealings with Fimarge. Similarly, suppliers (any other person or entity that maintains a professional relationship, both directly and indirectly) are(is) required to preserve the confidentiality of the information that they(it) can access resulting from their relationship with Fimarge.

##### **Confidentiality and professional secrecy**

It is necessary that the strictest professional secrecy be upheld regarding the identity, funds, securities, financial situation and/or any other information and documentation as well as previous, current, or future transactions of the clients.

The information access and/or use are exclusively within the professional framework for which they are required. Thus, the access, collection, custody, use and update of clients' information is for professional purposes only.

The confidential information of clients must not be disseminated or transmitted to third parties outside of Fimarge. The Subject Persons must ensure that arrangements with clients are carried out in an environment that ensures the privacy of conversations and the documentation used.

The family and/or economic ties between clients are not valid reasons to breach confidentiality, provided that there is no direct relationship of account ownership or power of attorney between clients.

All Subject Persons must scrupulously respect the current legal provisions, particularly those relating to professional secrecy. This duty remains effective even after resignation or termination from the workplace.





Fimarge ensures that any type of information regarding Subject Persons is process under the same confidentiality criteria as those applied to its clients. This information is only used within the necessary arrangements or framework of disciplinary actions in accordance with labor law.

The information of clients and/or Subject Persons may only be disclosed to third parties outside of Fimarge in compliance with current legislation and under an official request, in accordance with the corresponding legal and internal proceedings.

#### **Inside information:**

Inside information refers to a(n) asset, security, or issuer of securities, listed or not on organized markets information which has not yet been made public and, if made public, may affect the value or price of the asset.

All Subject Persons who have inside information must report immediately to CECC and refrain from:

- Preparing and/or executing transactions with assets, securities, or financial instruments of which they have inside information.
- Conducting transactions that constitutes, in themselves, a use of the inside information.
- Communicating inside information outside Fimarge.
- Making recommendations to third party on actions arising from inside information.

#### **4.4. Relations with Fimarge and others**

All Subject Persons must take corporate decisions as their own and avoid spreading comments on internal aspects of the Entity.

Fimarge does not interfere with the activities carried out by the Subject Persons or behaviors that they maintain outside the scope of work provided that they do not affect the reputation of the Entity or its legitimate interests.

#### **Training**

The participation of Subject Persons as trainers in external courses or seminars requires the prior authorization of the CECC.

#### **Information dissemination**

The Subject Persons must refrain from disseminating any internal information of Fimarge to third parties and avoid spreading rumors that may affect the good name and reputation of the Entity and/or other Subject Persons.

The creation, membership, participation, or collaboration of the Subject Persons in social networks, “forum,” “blog,” etc., on the Internet and/or other means of communication, must be conducted exclusively and clearly on a personal basis and under no circumstances refer to Fimarge.

The Subject Persons must refrain from using Fimarge’s email, image, name, or brand on these networks and/or other means of communication, if it has not been expressly approved by the CECC.



### **Relations with the authorities**

The Subject Persons must maintain an attitude of respect and collaboration with the representative of the authority within the framework of competence, position, or function in Fimarge.

### **Relations with prospective clients, prescribers, suppliers, etc.**

The Subject Persons must uphold a kind, respectful, and diligent attitude without making a distinction on the grounds of race, sex, religion or any other personal characteristic, adopting a professional attitude without being perceived as neither servile nor arrogant.

Subject Persons that are not employed by Fimarge are required to have an appropriate level of commitment that is consistent with this Code.

### **Public and private activities**

The reputation of Fimarge depends on the perception that the Entity generates in society, through its entire business activity and on the behavior of the Subject Persons.

In exercising private activities, particularly if these may have public repercussions, and/or using the name or image of the Entity for social, political or any kind of benefits must be avoided.

Any link, membership, or collaboration with political parties or other types of entities, institutions, or associations must be conducted exclusively and clearly on a personal basis and avoiding any relationship with Fimarge.

Prior to accept any position, Subject Persons must inform the CECC so that it can determine the existence of incompatibilities or restrictions in exercising such position.

### **Corporate social responsibility**

It assumes that in addition to customer service and the achievement of economic benefit, Fimarge integrates into its objectives a high level of responsibility towards personal, social, and environmental improvement both outside and within the professional scope of the Entity.

## **5. REGULATORY BODY**

### **5.1. Ethics Committee and Corporate Conduct (CECC)**

The CECC is the regulatory body that ensures the appropriate implementation of this Code as well as the implementation of disciplinary measures and sanctions against breaches.

The CECC is also in charge in determining the position of Fimarge in those cases related to ethics and/or conduct of Subject Persons that have not been explicitly addressed in this Code.

Appointed by the Board of Directors of Fimarge, this regulatory body consists of:

- The President of Fimarge
- The General Director of Fimarge
- The head of the Subject Person of whom the ethical and/or behavioral issues arises.
- The HR Coordinator, where appropriate, as Secretary of the Committee with the right to participate but not right to vote.



The voting system of the CECC is simple majority.

It is the responsibility of the HR Department to convene the CECC every six months and, when appropriate, to do so on an ad hoc basis. The HR Department is also responsible to present the issue and open proceedings to decide whether there is a breach to the code, and if so, whether be penalized or not.

## 5.2. Infringements

Any breach of this Code constitutes offenses subject to sanction, particularly to those breaches relative to Part 3.1.

Infringements can be minor, serious, or very serious.

### Minor infringements

Minor infringements are those breaches that do not have economic impact provided that good faith can be demonstrated in the performance.

### Serious infringements

- Serious infringements are those breaches that have economic impact, or
- Recurrence of the same minor infringement within 12 months of its sanction.

### Very serious infringements

- Very serious infringements are those breaches that have economic impact and have been carried out in bad faith, or
- Recurrence of the same serious infringement within 12 months of its sanction.

## 5.3. Sanctions

The applicable sanction is adjusted trying to achieve an appropriate balance between the infringement and sanction. For that purpose, the intent, guilt, and negligence of the breacher as well as the significance of the facts are considered.

### Minor sanctions

- Minor sanctions are sanctioned by verbal reprimand.

### Serious sanctions

- Serious sanctions are sanctioned by written reprimand and may be sanctioned by temporary suspension of the position or professional role.

### Very serious sanctions

- Very serious sanctions may be sanctioned with the dismissal of the Subject Person or revocation of its position in Fimarge.



## **ANNEX. CURRENT LEGISLATION AND REGULATIONS**

### **ANNEX I. FINANCIAL LEGISLATION**

Law 7/2013 of 9 May on the legal regime of the entities operating within the Andorran financial system and other provisions regulating financial activities in the Principality of Andorra.

Law 8/2013 of 9 May on the organisational requirements and the operational conditions of entities operating within the financial system, investor protection, market abuse and financial guarantee agreements.

### **ANNEX II. LEGISLATION ON THE PREVENTION OF MONEY LAUNDERING**

The law of 29 December 2000 on international judicial cooperation in criminal matters.

Regulation on the Law for International Cooperation Criminal matters and the fight against the laundering of money or securities products deriving from international delinquency and against the financing of terrorism of 29 December 2000.

Law 14/2017 of 22 June on the prevention and fight against the laundering of money or securities and the financing of terrorism.

Regulation of 23 May 2018, implementing the Law 14/2017 of 22 June on the prevention and fight against the laundering of money or securities and the financing of terrorism.

Internal Handbook on preventing and fighting against laundering of money or securities and the financing of terrorism.

Technical Communications of UIFAND.

### **ANNEX III. PROFESSIONAL SECRECY**

Articles 190, 191 and 192 of the Legislative Decree of 25 October 2017 on the consolidated text of Law 9/2005 of 21 February on the criminal code.

### **ANNEX IV. AFA COMMUNICATIONS (formerly, INAF)**

Technical Communiqué Num.7 of AFA on 27 May 2011, containing the ethical standards and conduct for Financial Investment Companies.

### **ANNEX V. OTHERS**

Ethical code of the association of financial investment entities (ADEFI).

Fimarge, Societat Financera d'Inversió, SA  
Bonaventura Armengol 10, Bloc 1, Pl. 5  
AD500 Andorra la Vella – Principat d'Andorra  
+376 805 100 - [www.fimarge.com](http://www.fimarge.com)  
[fimarge@fimarge.com](mailto:fimarge@fimarge.com)

