

THEMATICS AM – CONFLICTS OF INTEREST PROCEDURE

1. INTRODUCTION

Thematics AM provides investment management advice and asset management services to a variety of different clients. While engaging in their daily operations, Thematics AM may encounter potential conflicts of interest resulting from certain types of clients, investment strategies, and fee arrangements, among others. When acting in its capacity as fiduciary, Thematics AM owes its investment advisory clients a duty of loyalty. This policy aims at evaluating, managing and, where possible, mitigating, potential conflicts of interest.

The purpose of the Policy includes:

- Establishing mechanisms and procedures that permit the identification of any perceived/potential conflicts of interest;
- Adopting measures to permit, as far as possible, the avoidance of the actual occurrence of any conflicts of interest;
- Determining how to manage any conflicts of interest that cannot be avoided, and if applicable, informing clients;
- Appropriately documenting the steps to be taken by THEMATICS AM in a case of a conflict of interest; and
- Complying with THEMATICS AM's relevant regulatory obligations.

All employees are required to familiarize themselves with this document and any other documents referred to herein, as well as to consider its impact on their particular business and responsibilities. It is every employee's responsibility to recognize that conflicts of interest exist and to take an active part in their identification and management. Potential conflicts of interest identified should be notified to Compliance and Executive management in the first instance to ensure that appropriate action is taken.

This Policy is under constant review and is amended, or new policies are created, as necessary in line with relevant regulatory and industry best-practice developments and THEMATICS AM's business as it evolves.

2. DEFINITION OF CONFLICTS OF INTEREST

For purposes of this Policy, an interest means an advantage of any kind, whether material or immaterial, professional, commercial, financial, or personal. A Conflict of Interest situation is defined as a situation in which natural or legal persons find themselves, in connection with their personal or professional activities, subject to a number of different interests that could cause them to act in a manner beneficial to one of said interests to the detriment of the others (in particular those of clients) and jeopardize the independence, loyalty, impartiality and objectivity expected of such persons in the conduct of their personal or professional activities (the "Conflicts of Interests" or "Conflicts"). A Conflict of Interests may be potential or effective.

Thematics will take all reasonable steps to identify Conflicts of Interests that arise in the course of its activities, for example, Conflicts of Interests between:

- Thematics, Employees or any person directly or indirectly linked to Thematics by control, and the funds or the clients;
- The fund or the client in that fund, and another fund or client in that fund;
- The fund or the client in that fund, and another fund or client of Thematics;
- Two clients of Thematics.

A range of facts and circumstances or “conflict scenarios” may result in Thematics AM acting contrary to the best interest of its clients, regardless of whether Thematics AM intended to cause harm to the client.

In determining whether there is or may be a conflict of interest, Thematics AM takes into account whether Thematics AM, an employee, or other clients of Thematics AM:

- are likely to receive a financial gain, or avoid a financial loss, at the expense of the client;
- have an interest in the outcome of a service provided to another client or of a transaction carried out on behalf of the client, which is distinct from the client’s interest in that outcome;
- have a financial or other incentive to favor the interest of another client or group of clients over the interest of the client to whom the service is being provided;
- carries on the same business as the client; and
- are likely to receive (from a party other than the client) compensation of any kind, other than the commissions or fees usually charged for such service, in relation to a service provided to the client.

3. MANAGING CONFLICTS

3.1. Organizational structure

Thematics AM maintains an organizational structure which facilitates the managements of conflicts of interest:

- **Segregation of duties:** reporting lines are separate to prevent or limit conflicts of interest between portfolio management and operational teams, including control functions.
- **Procedural corpus:** Several procedures such as the Code of ethics, market abuse procedure, remuneration procedure etc. contains provisions aiming at dealing with conflicts of interest.
- **Conflicts of interest Register:** THEMATICS AM maintains a conflicts of interest Register which is a register of the types of potential and actual conflicts of interest representing a risk of damage to the interests of one or more clients in relation to THEMATICS AM’s regulated services or activities.

The information contained within THEMATICS AM’s conflicts of interest Register facilitates the effective identification, escalation and management of potential conflicts of interest and provides a risk management framework for Thematics AM.

The register is located on the network.

- **Compliance and internal control testing framework:** includes testing of the requirements set out in the procedures related to the Conflicts of Interests topic.

Where a conflict of interest is inherent or unavoidable, a transaction or relationship may proceed only if:

- Applicable regulations permit, or do not prohibit it,
- Executive management or Compliance have approved the transaction or relationship,
- The conflict will be disclosed to the client and consent obtained before undertaking business on the client's behalf.
- Alternatively, THEMATICS AM may separately decide not to offer the particular service or product to the client.

3.2. Outside Affiliations and Other Business Interests

Thematics AM expects its employees to devote their full business day to the business of Thematics AM and to avoid any outside employment, position, association, close industry links or investment that might interfere or appear to interfere with the independent exercise of the employee's judgement regarding the best interests of Thematics AM and its clients. Whilst Thematics AM permits outside business interests, employees must obtain the approval of Compliance or of Executive management in advance of taking any outside position. All new employees are expected to declare any new positions upon commencement of employment. This would include any outside business or business-related activities, whether remunerated or not, including activities that would cause the person to interact with the community in positions of influence.

3.3. Gifts and Entertainment Policy

A conflict of interest may arise where an employee receives or offers a gift or entertainment that constitutes an inappropriate incentive for an employee, Third Party Representative, Client or Vendor to act in a certain way. THEMATICS AM does not permit the offering or acceptance of gifts or entertainment by an employee unless it is reasonable, non-monetary, and for a legitimate business purpose.

Gifts and entertainments may include:

- Any object, possibly in the form of an advertising object.
- Free or very discounted invitations to cultural, artistic or sporting events, travel etc.
- Discounts on services offered by the counterparty.
- Invitations to lunches, dinners, or any other business receptions.

Employees must either declare or in certain cases seek pre-approval for gifts and entertainments which will not be granted if THEMATICS AM considers it to give rise to an actual or potential conflict of interest or it is inappropriate in nature.

4. RECORD KEEPING

The conflict of interest's procedure and registers should be kept for the prescribed period stated in the Books and Records procedure. Both will be reviewed annually and the updated procedure should be disclosed on Thematics AM's website promptly.