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**Caja de Ahorros y Monte de Piedad
de Navarra**

**Internal Regulations of Conduct
regarding the Securities Market**

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HEADING I **GENERAL RULES**

Article 1. Scope of application

1. The present Internal Regulations of Conduct and the appendices accompanying it (hereafter, "**the Regulations**") apply to the Caja Navarra Group^{1[1]}(hereafter, "**Caja Navarra**") and the following persons (hereafter, "**restricted persons**"):

- a) The members of Caja Navarra's Board of Directors and Supervision Committee.
- b) The members of Caja Navarra's Management Committee.
- c) Other Caja Navarra executives, employees, representatives and agents whose work is directly related to operations and work in the securities market.
- d) Others persons belonging to or providing services in Caja Navarra who, although their work is not directly related to the securities market, should, according to the criteria of the compliance function, be temporarily restricted by the regulations due to their participation in or knowledge of an operation related to this market.

The compliance function shall keep a comprehensive, permanently updated list of the entities and persons restricted by the present regulations and make it available to the governance bodies and overseeing authorities.

The present regulations shall apply to the work performed by Caja Navarra in the securities market.

^{1[1]} For these purposes, the Companies belonging to the Can Group restricted by the present Internal Regulations of Conduct shall be understood as its Management Company "GESTORA NAVARRA DE INVERSIONES, SGIIC, SA", the Business Corporation, "GRUPO CORPORATIVO EMPRESARIAL DE CAJA DE AHORROS Y MONTE DE PIEDAD DE NAVARRA, SAU", the Venture Capital Company "CCAN 2005 INVERSIONES SOCIETARIAS, S.C.R, S.A.U" and any other Company in which Caja Navarra directly or indirectly holds a stake of more than 50% which directly or indirectly performs work related to the securities market.

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Article 2. General Obligations

The restricted persons must know, comply with and collaborate in the application of current legislation governing the securities market which affects their specific area of work, the present regulations and the internal regulations which regulate the same.

HEADING II

OPERATIONS ON OWN BEHALF

Article 3. Object.

The present heading applies to operations concerning securities or financial instruments traded on official markets or securities or financial instruments whose underlying asset is traded on official markets performed by restricted persons on their own behalf.

Article 4. Non-speculation

Under no circumstance may the securities or financial instruments acquired or sold by restricted persons on their own behalf be sold or rebought during the same session or day in which the purchase or sale operation takes place. The compliance function must be informed of their sale or repurchase if this takes place within the next thirty days, in accordance with the provisions of article 7.

Article 5. Compulsory mediation

1. Caja Navarra may determine that the operations performed by restricted persons must be performed through Caja Navarra or an investment service company or credit entity which belongs to the Caja Navarra group or in which Caja Navarra holds a stake along with other entities. The mediating entity will execute the relevant orders or transfer them in order that they be executed.

In the event, Caja Navarra will define the persons restricted and financial instruments affected by the above obligation.

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2. Those restricted persons who are subject to the obligation defined in the previous section in two or more entities restricted by internal regulations of conduct may choose which of these should mediate in their operations.

Their choice, once exercised, will be permanent and must be communicated to the compliance function.

3. Caja Navarra must abstain from performing operations on behalf of persons restricted to compulsory mediation at any other entity when it is aware of the fact because it is public knowledge.

Article 6. Formalisation of orders

1. The orders of restricted persons must be formalised in writing, by the telematic, computer or electronic means provided by the entity for this purpose or by telephone if the order is recorded.

Orders formalised through Caja Navarra must be included in a file documenting orders.

2. When ordering any type of operation concerning securities or financial instruments, the restricted persons will provide the funds and guarantees established in the specific regulations governing each type of operation and, in the event, the contract signed by the parties. In cash operations, they must previously provide the funds or accredit the ownership or acquisition of the relevant securities or rights.

Article 7. The obligation of communication and information

1. At the end of each calendar month in which they have performed operations on their own behalf, the restricted persons must provide Caja Navarra's compliance function with a detailed written account, comprising all the operations performed since the previous account. The list of operations must be delivered in writing or electronic format in the first ten days of the following month and refer to the operations performed in the previous month.

Investments in stakes and shares of undertakings for collective investment are excluded from this obligation, except in the case of hedge funds.

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2. The compliance function may decide that certain operations must be communicated prior to execution due to the amount or risk involved.

When the compliance function so requests, the restricted persons must, at any time, inform it of operations performed on their own behalf in full detail and, if so requested, in writing. This obligation to provide information may comprise all the operations referred to in article 5.1.

3. The monthly accounts and written reports referred to in sections 1 and 2 will be filed in order and separately for at least six years.

The compliance function is obliged to maintain absolute confidentiality, without prejudice to its obligations to collaborate with the legal and overseeing authorities.

4. For the purposes of this article, the following operations shall be considered equivalent to operations performed by restricted person on their own behalf:

- a) Those performed by the restricted persons' relatives; the operations of spouses or persons whose relationship is considered equivalent by current legislation, but which involve their exclusive assets are not understood as equivalent.
- b) Those performed by companies with which the restricted persons have strong ties.
- c) Those performed by intermediaries.

Article 8. Prohibitions to operate

1. The restricted persons who form part of the units in charge of creating, publishing or disseminating reports and recommendations will abstain from performing operations concerning securities and financial instruments (including related financial instruments) on their own behalf:

- a) When a specific analysis of an issuer or its securities is being carried out, from the start of the analysis until the recommendation or comprehensive report is disseminated and the recipients have been able to act in accordance with the information contained in the same.

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b) Those referred to in the report or recommendation when these operations are contrary to those recommended, except in exceptional cases and with prior authorisation from the compliance function.

2. The cases of abstention referred to in the previous point are not obligatory when the execution of the operation is the consequence of commitments or rights acquired prior to the moment in which the creation of the report or recommendation begins or of operations designed to cover said commitments, provided that the operation is not based on knowledge of the results of the report.

3. The provisions of this article are also applicable to those restricted persons hierarchically above the units in charge of creating, publishing or disseminating reports and recommendations when they have access to the contents of the reports or recommendations.

Article 9. Investment portfolio management contracts

1. The restricted persons who have a private, discretionary investment portfolio management contract must communicate the fact to the compliance function, sending a copy of the same.

When it has received a copy of the contract, the compliance function will check the following points:

a) That the entity is legally authorised to provide the private, discretionary investment portfolio service.

b) That the contract is of a permanent nature.

2. The compliance function may require the restricted persons referred to in this article to make a signed declaration specifying that the investment and withdrawal decisions relative to the management of their assets are made without any kind of intervention on their behalf.

3. When the compliance function has received the copy and checked the previous points, then articles 4 to 8 will not be applicable to the operations decided on by the relevant management company, unless the compliance function decides otherwise.

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HEADING III

PREVENTION OF MARKET MANIPULATION AND INSIDER TRADING

CHAPTER I

PRIVILEGED AND RELEVANT INFORMATION

Section I. General obligations

Article 10. Obligation to communicate

The restricted persons who possess privileged information must communicate the fact to the compliance function as soon as possible, either directly or through the person in charge of their department or separate area. The notification must include the characteristics of the information, the date on which the person learned this information and the securities and financial instruments involved.

Article 11. Obligation to abstain

The restricted persons who have information, when they know or should know that it is privileged, must abstain from the following:

- a) Preparing or performing any type of operation concerning tradable securities or financial instruments and preparing and arranging any type of contract, traded on a secondary market or otherwise, on the basis of said information.

The following exceptions to the above exist:

- (i) preparing and performing operations whose existence in itself constitutes the privileged information;
- (ii) operations performed in accordance with an obligation, now due, to acquire or relinquish tradable securities or financial instruments when said obligation forms part of an agreement reached before

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the person involved came into possession of the privileged information and provided that the person communicated the fact to the compliance function;

(iii) other operations performed in accordance with applicable regulations.

b) Communicating said information to third parties, save in the normal exercise of the person's work, profession or position.

c) Recommending to third parties that they acquire or relinquish tradable securities or financial instruments or that they organise for other parties to acquire or relinquish them on the basis of said information.

Article 12. Obligation to safeguard

1. The restricted persons who possess privileged information have the obligation to safeguard it, without prejudice to their obligation to communicate and collaborate with the judicial and administrative authorities.

Applying the provisions of the previous paragraph, they shall adopt suitable measures to prevent said information from being used in an abusive or unfair manner. In the event of privileged information being used in an abusive or unfair manner, then any person aware of the fact must inform the compliance function immediately.

2. Those in charge of separate areas will establish the security measures necessary in order to prevent access by third parties to those physical or telematic supports which contain privileged information.

Section 2. Obligations as issuer of securities and financial instruments

Article 13. Documentary registers

i. During the study and negotiating stages of any type of legal or financial operation which may appreciably affect the trading prices of the securities and financial instruments involved, Caja Navarra, as issuer of securities and financial instruments, will create a documentary register of all those persons with access to each operation and will send a copy to the compliance function. The registers will specify:

- a) The identity of the persons, including those who do not belong to the entity.
- b) The date on which each person accessed the information for the first time.
- c) The reason why they are on the list.
- d) The dates of creation and updating of the list.
- e) The securities and instruments on which privileged information is possessed.

2. The registers have to be updated immediately in the following cases:

- a) When the reasons for which a person is in the register change.
- b) When it is necessary to add a new person to the register.
- c) When a person in the register no longer has access to privileged information; in this case, the date on which he/she no longer had access should be indicated.
- d) When the information is no longer privileged.

Article 14. Safeguarding relevant information

The restricted persons who have relevant information due to the normal exercise of their work, profession or functions are subject to an obligation of confidentiality and may not disseminate said information via the media, including Internet, or by any other means until the information is made public, in accordance with the provisions of the following article.

Article 15. Dissemination of relevant information

1. During the study and negotiating stages of any type of legal or financial operation which may appreciably affect the trading prices of the securities and

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financial instruments involved, the restricted persons have the obligation to strictly limit knowledge of said information to those persons, internal or external to the organisation, to which said knowledge is indispensable.

2. Caja Navarra must disseminate the information immediately if it is not possible to guarantee its confidentiality. More particularly, it must disseminate a relevant event in the following cases:

a) When information is leaked or rumours or untruthful or misleading news is spread regarding Caja Navarra tradable securities or financial instruments when, due to their seriousness, they may significantly affect trading prices. Regardless of the person or persons responsible for the information, the accuracy of the information will be indicated in the relevant event or, when appropriate, denied.

Notwithstanding the above, the compliance function must be informed of the dissemination of rumours or untruthful or misleading news and the leaking of relevant information.

b) In the event of abnormal evolution in the volumes contracted or prices traded at of Caja Navarra securities or financial instruments and there are reasonable grounds to believe that said evolution is occurring as a consequence of the premature, partial or distorted dissemination of an operation. The relevant event will clearly and precisely inform of the operation it is believed information has been leaked on and of its current status, or will contain an objective clarification of the facts, with an advance on the information to be provided at a later stage.

c) When a restricted person acting in the name or on behalf of Caja Navarra reveals privileged information in the normal exercise of his/her work, profession or functions, then said information must be made public in its entirety, simultaneously in the case of intentional disclosure or promptly in the case of unintentional disclosure. The provisions of this point are not applicable when the person receiving the information has an obligation of confidentiality, regardless of whether said obligation is based on a legal, regulatory, statutory or contractual stipulation.

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3. The relevant information must be disseminated immediately on the market by communicating it to the National Securities Market Commission.

Communication to the National Securities Market Commission must be made simultaneously with dissemination by any other means and as soon as the event is known, the decision has been adopted or the agreement or contract with the third parties involved has been signed.

4. The task of communicating the relevant information generated at the entity to the National Securities Market Commission will correspond to Caja Navarra's qualified interlocutors. The contents of the notification must be true, clear, complete and, when the nature of the information so requires, quantified, so as not to create confusion or mislead regarding the facts or events which must be communicated.

5. Caja Navarra will:

- a) Keep watch on the evolution of the securities and financial instruments regarding which relevant information has been disseminated and any news which the professional broadcasters of economic information and the media may release which may affect these, in order to prevent the abusive or unfair use of the information. When a significant change occurs to the relevant information communicated, then it must be disseminated on the market in the same way.
- b) Ensure that the dissemination of relevant information on the market is not combined with the marketing of Caja Navarra's work in such a way that may prove misleading.
- c) Keep a register of relevant events communicated to the market.
- d) When Caja Navarra securities and financial instruments are admitted to trading on one or more regulated markets in the European Union, it will diligently try to ensure that the relevant information is communicated to all categories of investors in all the Member states in which Caja Navarra has requested or agreed that said securities or financial instruments be admitted to trading in the most synchronised manner possible.

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- e) Disseminate the relevant events communicated to the National Securities Market Commission on the bank's website.

Article 16. Exception to the obligation to inform the public

When it is considered that the information should not be made public because it may affect the entity's legitimate interests, then one of Caja Navarra's qualified interlocutors will inform the National Securities Market Commission immediately.

Section 3. Obligations associated with providing investment services

Article 17. List of securities and financial instruments

1. Caja Navarra must create a list of securities and financial instruments regarding which it has privileged information relevant to the provision of investment services, specifying the persons who have had access to said information and the relevant dates. It must keep this list up to date.
2. The compliance function must expressly inform those persons included in the registers referred to in article 13.1 and on the lists in the previous point as to the nature of the information and their obligation to confidentiality, the prohibition to use it, and the infractions and sanctions which may arise as a result of its inappropriate use. Likewise, it will inform the interested parties of their inclusion in the register or on the list and of all the other provisions catered for in Organic Law 15/1999, of the 13th of December, on the Protection of Personal Data.
3. The information recorded in the registers and on the lists must be kept for six years following its entry or latest update. Likewise, the registers and lists must be made available to the National Securities Market Commission when so required.

Article 18. Definition of separate areas

1. The Board of Directors or, in the event, the compliance function will define the separate areas and the restricted persons included in each.

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Separate areas will be created in the different departments or areas of Caja Navarra in which work related to the securities market is performed and between which due separation should be maintained in order to prevent the flow of privileged information and conflicts of interest.

More particularly and at minimum, each of the departments which performs own portfolio management work, portfolio management work for external parties and analysis work must be set up as a separate area.

2. A person will be appointed as responsible for each separate area and, within the scope of his/her competences, this person will ensure compliance with the provisions of this chapter.

3. The restricted persons must know which separate area they belong to, who the other restricted persons who belong to the same area are and who is responsible for the area.

4..Those who work within a specific separate area, no matter what their position, will sign a document undertaking, with express reference to the separate area in question, not to use privileged information to which they have had access as a result of their functions for their own benefit or to transmit it to persons external to the separate area.

Article 19. Autonomous operation of separate areas

1. Without prejudice to the provisions of articles 21 and 22, the restricted persons must proceed in such a way that privileged information is managed and decisions are made autonomously within the separate area they belong to.

2. An investment decision system which guarantees that such decisions are reached autonomously within the separate area will be defined and approved.

Article 20. Creation of barriers

1. Those in charge of the separate areas and the compliance function will establish the barriers between each separate area and the rest of the organisation, in accordance with the characteristics of the operations taken part in and the information used.

2. The compliance function will perform regular checks in order to verify that operations performed in the market on behalf of the entity or on behalf of clients

and restricted persons are not affected by undue access to privileged information and, in short, to verify the correct operation of the information barrier system.

Article 21. Transmission of privileged information between separate areas

1. The transmission of privileged information between separate areas will only be possible when it is indispensable for the correct performance of the functions of an area, for the correct performance of a specific operation or for the adoption of a decision.
2. The transmission of privileged information between separate areas will require authorisation from the compliance function.

The risk of conflict of interest will be taken into particular account when granting these authorisations, on which the compliance function will keep a duly detailed register. Under no circumstance will it authorise the transmission of information in breach of confidentiality agreements signed by Caja Navarra.

Article 22. Transmission of privileged information above barriers

1. The restricted persons and the bodies hierarchically above the persons in charge of the separate areas, including the committees and established bodies to which the person in charge or a person named by him/her may belong, are considered common structure superior to the separate areas.
2. Within the framework of the relevant decision processes, privileged information may be transmitted to restricted persons located hierarchically above the barriers. The compliance function must be informed of said transmission when the information is especially relevant or sensitive.

Article 23. Transmission of privileged information to external persons

Should it be necessary to transmit privileged information to persons external to Caja Navarra, then the recipients of the information will be required to

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sign a confidentiality undertaking. The compliance function will be informed of said transmissions of information

CHAPTER II MANIPULATION OF THE MARKET AND SUSPICIOUS OPERATIONS

Article 24. Obligation to abstain.

The restricted persons must abstain from the preparation or performance of practices which misrepresent the free market price.

Article 25. Obligation to communicate suspicious operations

1. When it considers that there exist reasonable grounds to suspect that an operation regarding securities or financial instruments is using privileged information or constitutes a practice which misrepresents the free market price, Caja Navarra will inform the National Securities Market Commission as quickly as possible.
2. The contents of the notification to the National Securities Market Commission will include the following information:
 - a) A description of the operations, including the type of order and the trading method employed.
 - b) The reasons which lead it to believe that the operation is being performed using privileged information or constitutes a practice which misrepresents the free market price.
 - c) The means of identification of the persons on whose behalf the operations are performed and, in the event, of others involved in the operations.
 - d) If the person restricted by the obligation to notify is acting on his/her own behalf or on that of third parties.
 - e) Any other pertinent information regarding the suspicious operations.

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If it is not possible to include the above information at the time of notification, then the reasons why it is believed that a suspicious operation is taking place should be given, sending the complementary information as soon as it is available.

3 Once the notification has been sent, then the persons involved are obliged to keep said notification secret.

4. The compliance function will keep a register of the notifications sent.

CHAPTER III

INVESTMENT REPORTS AND RECOMMENDATIONS

Article 26. Obligations of faithfulness, impartiality, abstention and information

1. When reports or recommendations on companies issuing securities or financial instruments are being created, published or disseminated, the restricted persons must proceed in a faithful and impartial manner.

2. Caja Navarra and the restricted persons who form part of the units in charge of creating, publishing or disseminating investment reports and recommendations must not receive incentives from those with relevant interest in the contents of the report or recommendation.

3. Caja Navarra and the restricted persons who form part of the units in charge of creating, publishing or disseminating investment reports and recommendations must not enter into commitments with issuers to create favourable investment reports or recommendations.

4. The persons in charge of the units referred to in this article must send a programme of the reports on specific companies planned for creation in the near future to the compliance function at least once every six months. They will also send every report published to the compliance function immediately.

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Article 27. Responsibilities of the compliance function

1. The compliance function will keep the units in charge of creating, publishing or disseminating reports and recommendations informed about and advise them on the regulations applicable to their work, and particularly:

- a) The rules for the impartial presentation of reports and recommendations.
- b) The rules regarding information on conflicts of interest.
- c) The rules regarding the dissemination of recommendations made by third parties.
- d) The rules applicable to non-written recommendations.

2. Once published, the reports and recommendations will be sent to the compliance function by the units in charge of creating, publishing or disseminating them.

HEADING IV CONFLICT OF INTEREST MANAGEMENT POLICY

Article 28. Object.

This heading covers the general policy for the prevention and management of conflicts of interest which may arise between Caja Navarra clients, and between Caja Navarra clients and Caja Navarra itself.

Article 29. Detection of conflicts of interest

In order to identify the conflicts of interest which may arise on providing investment or auxiliary services, or a combination of both, it will be taken into consideration whether Caja Navarra or the restricted persons:

- a) may obtain financial gain or avoid financial loss at the expense of the client.

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- b) have an interest in the result of the service provided to the client or of the operation performed in his/her name other than the client's interest.
- c) have financial or other incentives which lead them to favour the interests of another client or group of clients above those of the client in question.
- d) work in the same area or business as the client.
- e) receive an incentive related to the service provided to the client in the form of money, goods or services from a person/entity other than the client, beyond the standard commission/fee or cost of the service.

Article 30. Other conflicts of interest

1. Caja Navarra may define other types of conflict of interest which the restricted persons may expose themselves to by virtue of family, economic or professional ties or any other cause regarding an action, service, specific operation or its rules of resolution.

Article 31. Obligations in conflicts of interest

1. The restricted persons must try to avoid conflicts of interest.
2. The restricted persons must inform the compliance function and the person in charge of the relevant area about those conflicts of interests to which they effectively find themselves exposed.

Notification must be made as soon as possible and, in all events, before the decision which may be affected by the potential conflict of interest is made.

The restricted persons must keep the above information up to date, communicating any modification to or termination of the situations notified.

3. If they are personally affected by a conflict of interest, the restricted persons will abstain from intervening in the acts of preparation and from deciding or, in the event, voting in such situations and will inform those who are going to make the relevant decision of the fact.

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Article 32. General rules for conflict resolution

1. Conflicts of interest will be resolved by the person in charge of the separate area involved. If several areas are affected, then they will be resolved by the immediate hierarchical superior of all the areas involved. If none of the above rules are applicable, then they will be resolved by the person named by the compliance function.

Should there exist doubt regarding the competence or the manner in which a conflict is resolved, then the compliance function may be consulted.

2. The following rules will be taken into consideration in the resolution of conflicts of interest:

a) In the event of conflict between Caja Navarra and a client, then the interest of the latter must be safeguarded.

b) In the event of conflicts between clients:

(i) efforts shall be made not to favour either/any of them;

(ii) under no circumstance will operations performed by one client be revealed to others;

(iii) the performance of a certain operation by one client shall not be encouraged in order to benefit another.

3. If the measures adopted by Caja Navarra are not enough to guarantee the prevention of risk of harm to the interests of its clients to a reasonable degree of certainty, then Caja Navarra will inform those affected as to the nature and origin of the conflict, only providing the services or operations exposed to said conflict with the clients' consent.

4. The decision regarding the conflict and possible incidents arising as a result will be communicated to the compliance function.

5. The compliance function must keep an updated register of those conflicts of interest which have arisen or exist in continuing services or activities.

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Article 33. Specific rules for certain units

Within the separate areas of brokerage and own and external portfolio management, suitable, reasonable measures shall be taken to avoid or reduce conflicts of interest which may arise between several clients. To this end:

- a) When the orders or operations performed have to be distributed among a number of clients, assignation shall be performed according to pre-established objective criteria. If for some reason it is not possible to apply the pre-established criteria, then a written record of the criteria applied shall be made.
- b) Insofar as possible and depending on the scale of the activities in question within the entity, the management and brokerage service will be separated according to markets and clients or groups of clients who share similar characteristics. More particularly, efforts shall be made to separate institutional clients from personal clients.

HEADING V DEPOSITORY OF UNDERTAKINGS FOR COLLECTIVE INVESTMENT AND PENSION FUNDS

Article 34. Applicable regulations

In addition to the rules catered for in article 2, the restricted persons must know, respect and collaborate in the application of the specific rules of conduct applicable to the work of depository, described in sections 2 and 3 of the appendices.

Article 35. Rules of conduct

The restricted persons must place the interests of the undertakings for collective investment and pension funds before their own, acting with impartiality, in good faith and, in all events, protecting the interests of said undertakings and funds.

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Article 36. Organisational requirement

Caja Navarra will identify those persons/entities which perform depository and administration functions and will check that they possess the specific powers necessary in order to perform their respective functions.

Article 37. Related operations

The compliance function will have free access to the internal register which details the operations performed by Caja Navarra with the following entities for which it provides a depository service:

- a) Investment companies; this point also includes the operations performed by the restricted persons described in article 1 points a) and b).
- b) Other undertakings for collective investment.
- c) The companies managing undertakings for collective investment, when these operations affect an undertaking for collective investment which the company manages and for which Caja Navarra acts as depository.
- d) The entities managing pension funds, when these operations affect a pension fund which the entity manages and for which Caja Navarra acts as depository.

Article 38. Separation of the depository

1. The department of depository of undertakings for collective investment will regularly send the compliance function the list of companies managing undertakings for collective investment for which Caja Navarra acts as depository and entities managing pension funds for which Caja Navarra acts as depository.

2. Caja Navarra will ensure that the work of depository observes the following rules of separation regarding the managing entities:

- a) Non-existence of common directors or administrators.
- b) The effective management of the managing entities will be performed by persons/entities independent of the depository.

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- c) The managing entities and the depository will have different addresses and their work centres will be physically separate.

HEADING VI

APPLICATION OF THE REGULATIONS

Article 39. Information

1. The compliance function will inform the competent governing body and/or the committee named by this body of all relevant incidents arising regarding compliance with the provisions of these regulations.
2. At least every six months, the compliance function must write up a report for the competent governing body or the committee indicated by said body containing the following:
 - a) Summary of the regulatory or other initiatives implemented by the National Securities Market Commission or other competent authority in the sphere of the securities market.
 - b) Evaluation of compliance with the regulations, together with a description of the main incidents.

Article 40. Corporate intranet

The compliance function will maintain a Web page on Caja Navarra's corporate intranet to which all restricted persons will have access and which will contain the following:

- a) The present regulations.
- b) The circulars implementing the regulations, including those approved for specific areas.
- c) The forms needed in order to comply with the obligations set out in these regulations.

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- d) An updated list of the separate areas and the persons in charge of them.

Article 41. Training

1. With the entrance in force of the regulations or their inclusion as restricted persons, all restricted persons must receive training regarding the regulations.
2. All restricted persons must also receive refresher training according to the schedule defined by the compliance function.

Article 42. Non-compliance

Non-compliance with the provisions of the present regulations may lead to relevant criminal, administrative or labour sanctions being imposed.

In the labour field, sanctions will be imposed following the relevant sanctioning procedure, which will be performed in accordance with the provisions of the relevant sectorial regulations.

Article 43. Implementation and updating

1. The competent governing body and/or committee which it appoints may design circulars expanding on the provisions of these regulations.
2. Updates of the regulations, when relevant due to modifications in the applicable regulations, may be approved by the competent governing body and/or committee which it appoints.

Temporary provisions

Heading V of the present Regulations will apply to the work of depository of pension funds only from the 1st of January 2009, in compliance with the provisions of the single temporary provision of Royal Decree 1684/2007, of the 14th of December.

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APPENDIX I

DEFINITIONS

1. Separate area

Separate areas are the different departments or areas of Caja Navarra in which work related to the securities market is performed and which, by virtue of these regulations, must be duly separated from each other in order to prevent conflicts of interest between them and prevent the undue use or transmission of privileged information, in such a way as to guarantee that each area makes its decisions autonomously.

2. Barriers

Barriers are the physical, electronic or other elements and the procedures which have to be established in order to make the separate areas hermetic.

The barriers may be of the following types:

- a) Physical barriers, including means of physical separation and restricted areas.
- b) Information-access barriers, regarding the protection of documents and physical and electronic files, entailing measures such as the use of passwords, identification of operations by codename and other similar methods.
- c) Communication barriers, involving measures to control written, electronic and telephone communication, and comment or communication restrictions, among others.

3. Conflict of interest

Conflict of interest exists when the impartiality of the acts of the restricted persons may be compromised, in the judgement of a neutral observer, and this may harm a client's interests.

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4. Investment portfolio management contracts

An investment portfolio management contract is one by virtue of which a restricted person entrusts the total or partial management of his/her investment assets to a legally authorised entity, involving discretionary adoption, free from his/her own intervention, by said restricted person of all decisions concerning investment, withdrawal and maintenance of securities, and the fruits of and return from the same.

5. Depository

The work of depository is performed by those entities entrusted with the deposit or custody of the securities, cash and, in general, the investment assets of undertakings for collective investment, and with overseeing the administration of the companies which manage these undertakings and, in the event, the administrators of collective investment companies, and other functions allocated by Law 35/2003, of the 4th of November.

6. Issuing entity

The issuing entity is the entity which issues or proposes to issue any security or financial instrument in an official secondary market or other regulated market registered in the European Union.

7. Privileged information

1. Privileged information is considered to be all information of a specific nature referring directly or indirectly to one or more tradable securities or financial instruments, or one or more entities issuing these tradable securities and financial instruments, which has not been made public and which, were it or had it been made public, could appreciably influence or have influenced its trading price on the market or in an organised trading system.

In addition to the trading prices of tradable securities or financial instruments, the concept of trading price also includes the trading prices of derivative financial instruments related to these.

Information which may appreciably influence trading prices is understood as information which a reasonable investor could use as the basis for investment decisions.

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Specific information is understood as information which indicates a set of circumstances which occur, or which may reasonably be expected to occur, or an event which has taken place, or which may reasonably be expected to take place, when such information is sufficiently specific as to allow the possible outcome of said set of circumstance or events on the prices of the relevant tradable securities or financial instruments or, in the event, derivative financial instruments related to these, to be foreseen.

The provisions of the previous paragraphs also apply to those tradable securities or financial instruments for which applications that they be admitted to trading on a market or in an organised trading system have been made.

2. Regarding those responsible for the execution of orders concerning tradable securities or financial instruments, privileged information is also considered to be all specific information transmitted by a client regarding his/her own orders pending referring directly or indirectly to one or more issuers of securities or financial instruments, or to one or more securities or financial instruments, which, were it made public, could have significant repercussions on the trading prices of said securities or financial instruments or on the trading prices of derivative financial instruments related to them.

3. Regarding raw material derivatives, privileged information is considered to be all specific information which has not been made public referring directly or indirectly to one or more of these derivatives which the users of the markets on which these products are traded would expect to receive in accordance with the market practices accepted in said markets.

In all events, it is understood that the users of the markets referred to in the previous paragraph would expect to receive information related directly or indirectly to one or more derivative financial instruments, when this information:

- a) Is made available to the users of these markets on a regular basis; or

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b) must be disclosed by virtue of legal or regulatory provisions, market rules, contracts or practices of the market of the underlying raw materials or the raw material derivative market in question.

8. Relevant information

Relevant information is all information, knowledge of which may reasonably lead an investor to acquire or transfer securities or financial instruments and, consequently, may significantly influence their trading price on a secondary market.

9. Related financial instruments

Related financial instruments are those instruments whose price is significantly affected by the price fluctuations of another financial instrument which is the object of an investment report or recommendation, and which includes a derivative of this other financial instrument.

10. Price manipulation

Price manipulation is the preparation or performance of practices which misrepresent the free market price, i.e. which constitute manipulation of the market:

- a) Operations or orders:
 - Which create or may create false or misleading signs regarding the supply, demand or price of tradable securities or financial instruments.
 - Which, through the concerted actions of one or several people, set the price of one or more financial instruments at an abnormal or artificial level, unless the person who performs the operations or issues the orders can demonstrate the legitimacy of his/her motives and these comply with the market practices accepted in the regulated market involved.
- b) Operations or orders which involve fictitious devices or any other form of deceit or artifice.

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- c) Dissemination of information through the media, including Internet, or through any other medium, which creates or may create false or misleading signs regarding financial instruments, including the spreading of rumours and untruthful or misleading news, when the person disseminating said information knows or should have known that the information is false or misleading.
- d) The acts of a person or concerted acts of several persons to ensure a commanding position over the supply or demand of a security or financial instrument in order to fix, directly or indirectly, purchase or sale prices or other circumstances of unfair trading.
- e) The sale or purchase of a security or financial instrument when the market session is on the point of closing, thereby misleading investors who act on the basis of closing prices.
- f) Taking advantage of occasional or regular access to the traditional or electronic media, expressing an opinion on a security or financial instrument, or indirectly on its issuer, having taken positions regarding this security or financial instrument and thereby benefiting from the repercussions of the opinion expressed regarding the price of said security or financial instrument without having simultaneously informed public opinion as to this conflict of interest suitably and effectively.
- g) Any act which the Ministry of the Economy or National Securities Market Commission lists or describes as a practice contrary to the creation of free market price.

11. Operations on one's own behalf

Operations on one's own behalf are those operations concerning securities or financial instruments performed by restricted persons regarding their assets.

12. Persons considered the restricted person's relatives

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Persons considered the restricted person's relatives are:

- a) his/her spouse or any other person considered equivalent according to current legislation;
- b) children under legal custody and minor stepchildren who live at the same address as the restricted person;
- c) ascendants at the first degree and collateral relatives to the second degree who have been living at the same address as the restricted person for more than one year.

13. Intermediaries

Those who perform operations on behalf of the restricted persons in their own name.

14. Accepted market practices

1. Accepted market practices are those performed or which may reasonably be expected to be performed in one or more official secondary markets and which are accepted by the National Securities Market Commission.

When deciding if a market practice is accepted or not, the National Securities Market Commission will consider:

- a) The degree of transparency of the relevant market practice regarding the market as a whole.
- b) The need to preserve the action of market forces and suitable interaction between supply and demand. To these ends, the National Securities Market Commission will analyse the effect of the relevant market practice on the main market parameters, such as the specific market conditions prior to performing the practice in question, the average weighted price of a single session or the daily closing price.
- c) The degree of impact of the relevant market practice on the liquidity and efficiency of the market.

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- d) The degree to which the practice is compatible with the trading mechanisms of the market in question and allows the participants in this market to react suitably and swiftly to the new market situation created by said practice.
- e) The risk posed by the relevant practice to the integrity of the markets of the European Union, regulated or otherwise, directly or indirectly related to the relevant security or financial instrument.
- f) The conclusions of any investigation into the market practice in question performed by the National Securities Market Commission or any other competent authority or market regulating body, particularly when the practice in question infringes rules or provisions which aim to prevent market manipulation, insider trading or codes of conduct in the market in question and directly or indirectly related markets in the European Union.
- g) The structural characteristics of the market in question, particularly whether it is regulated or not, the types of financial instruments traded and participants in this market, particularly the relative importance of the participation of small investors.

2. Under no circumstance will a market practice, particularly a new or emerging market practice, be considered an unacceptable practice simply because said market practice has not been previously accepted by the National Securities Market Commission.

15. Investment recommendation

1. A recommendation is any information related to one or more securities or financial instruments or their issuers aimed at the public, including any report on the present or future security or the price of said instruments, which advises or suggests an investment strategy.
2. Information which advises or suggests an investment strategy is:
 - a) Information provided by an independent analyst, investment firm, credit entity, any other person whose main work involves making recommendations or

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the individuals who work under contract or in any other way for any of the above who directly or indirectly express a specific investment recommendation regarding a financial instrument or issuer.

b) The information provided by persons other than those mentioned in the previous paragraph who directly recommend a specific investment decision regarding a financial instrument.

16. Securities and financial instruments

Securities and financial instruments are:

- a) The tradable securities issued by public or private persons or entities grouped together into issues.
- b) Contracts of any kind traded on a secondary market, official or otherwise.
- c) Forward contracts, option contracts and swap contracts, provided that they concern tradable securities, indexes, currencies, interest rates or any other type of underlying financial asset, regardless of the form in which they are settled and even though they are not traded on a secondary market, official or otherwise.
- d) Contracts or operations concerning instruments not considered in the previous points, provided that they are tradable on a secondary market, official or otherwise, and although the underlying asset is not financial, comprising, therefore, among others, goods, raw materials and all other fungible assets.

17. Caja Navarra securities and financial instruments

Caja Navarra securities and financial instruments are those securities and financial instruments listed in the previous point issued or guaranteed by the entity.

18. Strong ties

Strong ties are:

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a) Direct or indirect possession of 20% or more of the voting rights in or capital of a company, or

b) A relationship of control, in the terms of article 4 of the Law on the Securities Market.

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APPENDIX 2

GESTORA NAVARRA DE INVERSIONES, S.G.I.I.C. S.A

- I. - PURPOSE**
- II. - RELATED OPERATIONS**
 - 1. SCOPE OF APPLICATION**
 - 2. CONCEPT OF RELATED OPERATIONS**
 - 3. FORMAL INTERNAL PROCEDURE OF THE MANAGEMENT COMPANY**
 - 4. RELATED OPERATIONS PERFORMED BETWEEN THE MANAGEMENT COMPANY AND THOSE WHO HOLD ADMINISTRATION AND MANAGEMENT POSTS IN IT**
 - 5. REPETITIVE RELATED OPERATIONS OR OPERATIONS OF LITTLE RELEVANCE**
 - 6. PUBLICITY OF RELATED OPERATIONS**
 - 7. INFORMATION TO THE BOARD OF DIRECTORS**
 - 8. OPERATION CONTROL AND MONITORING SYSTEM**
 - 8.1. Operations which require prior authorisation**
 - 8.2. Repetitive operations or operations of little relevance**
- III. - MANAGEMENT COMPANY-DEPOSITORY SEPARATION RULES**
- IV. - GENERAL ORDERS**

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I. - PURPOSE

The aim of the present Appendix to the Regulations of Internal Conduct is for Gestora Navarra de Inversiones, S.G.I.I.C, S.A (the "**Management Company**") to comply with the provisions of article 67 of Law 35/2003, of the 4th of November, on Undertakings for Collective Investment ("**LIIC**"), and articles 98 and 99 of Royal Decree 1309/2005, of the 4th of November, on Undertakings for Collective Investment ("**RIIC**").

The articles in the rest of the Regulations of Conduct regarding the Securities Market apply for everything not covered in the present Appendix.

II. - RELATED OPERATIONS

1. SCOPE OF APPLICATION

Related operations are those operations referred to in part 2 of this Appendix performed by the persons indicated in article 67 LIIC:

- "a) by investment companies with their depositories and, in the event, with their management companies,
- b) by investment companies with those who hold administration or management posts in these or with those who hold administration or management posts in their depository entity or, in the event, management company,
- c) between Undertakings for Collective Investment Management Companies and depositories when they involve an Undertaking for Collective Investment for which they act as manager and depository respectively, and those performed between management companies and those who hold administration or management posts in them,
- d) by Undertakings for Collective Investment Management Companies when they involve an Undertaking for Collective Investment for which they act as manager, by a depository when they involve an Undertaking for Collective Investment for which they act as depository, and by investment companies, with any other entity which belongs to the same group according to the definition in article 4 of the Law on the Securities Market".

Such operations are also considered related operations when they are performed through intermediary persons or entities. For these purposes, it is understood that operations are performed through intermediary persons or entities when they are executed by persons who are direct or collateral relatives, blood relatives or relatives by marriage up to and including the fourth degree, by agents or trusts or by any entity in which the posts of administration and management hold, directly or indirectly, a percentage of 25% or more of the capital or perform administration or management functions.

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2. CONCEPT OF RELATED OPERATIONS

Related operations are:

- a) The receipt of compensation for the provision of services to an Undertaking for Collective Investment, except those provided by the Management Company to the Undertaking for Collective Investment and those provided for in article 7 of RIIC.
- b) The obtainment of financing or the establishment of deposits by an Undertaking for Collective Investment.
- c) The acquisition by an Undertaking for Collective Investment of securities or instruments issued or guaranteed by one of the persons defined in part 2 or in the issuance of which one of these persons acts as underwriter, insurer, director or consultant.
- d) The purchase and sale of securities.
- e) All transfers or exchange of resources, obligations or business opportunities between the investment companies, the Management Company and the depositories, on the one hand, and those who hold administration or management posts in them, on the other.
- f) Any business, transaction or provision of services involving an Undertaking for Collective Investment and any company belonging to the economic group of the Management Company or any of the members of their respective boards of directors or another Undertaking for Collective Investment or asset managed by the Management Company and another management company belonging to the group.

3. FORMAL INTERNAL PROCEDURE OF THE MANAGEMENT COMPANY

The Management Company has the following formal internal procedure to ensure that related operations are performed in the exclusive interest of the Undertaking for Collective Investment and at prices and in conditions equal to or better than market prices and conditions.

Any operation which, in compliance with the indications in this Appendix, can be considered a related operation (except repetitive operations or operations of little relevance defined in part 5) must be previously authorised by the Management Company's Monitoring Body, having sent it the relevant authorisation request. Said Monitoring Body will consist of two members of the Management Company, namely the CEO of the Management Company and the head of the internal control body. Their formal

appointment will correspond to the Board of Directors of the Management Company.

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The aforementioned authorisation request must:

- (i) Be made in writing to the Monitoring Body;
- (ii) Indicate the type of operation, its conditions, information identifying it and the entities involved; and
- (iii) Be signed by the person responsible for the operation.

Once the Monitoring Body has received the authorisation request, it will give or deny the mandatory authorisation in writing to the person responsible for the operation within a period of ten (10) days calculated as of receipt, basing its decision on the interests of the Undertaking for Collective Investment involved and market prices and conditions.

Notwithstanding the above, the Monitoring Body may ask the person responsible for the operation for all the information and/or documents which it considers appropriate, the period of time described in the previous paragraph being put on hold from the moment in which the request for additional information is made until said information is received.

In order for the Monitoring Body to authorise a related operation, it will, in all events, be necessary that the operation is made in the sole interest of the Undertaking for Collective Investment and at prices and in conditions equal to or better than market prices and conditions.

Authorisation must be recorded in writing and will be kept with the documentation presented in order to obtain it.

4. RELATED OPERATIONS PERFORMED BETWEEN THE MANAGEMENT COMPANY AND THOSE WHO HOLD ADMINISTRATION AND MANAGEMENT POSTS IN IT

When they represent a significant volume of business for the Management Company or for the Undertaking for Collective Investment which it manages, related operations performed between the Management Company and those who hold administration and management posts in it must be approved by the Board of Directors of the Management Company in accordance with the following rules:

- a) The matter must be included on the agenda with due clarity.
- b) If a member of the Board of Directors is a related party according to the provisions of LIIC and this article, then he/she must abstain from taking part in voting.
- c) Voting will be secret.

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- d) The agreement must be reached by a majority of two thirds of all the members of the board, excluding those members who, in the event, abstain in accordance with the provisions of paragraph b) from this calculation.
- e) Once the vote has been held and the result announced, then the reservations or discrepancies of the members of the board regarding the agreement adopted may be recorded in the minutes.

For these purposes, the National Securities Market Commission's definition will be used to define "significant volume of business".

5. REPETITIVE RELATED OPERATIONS OR OPERATIONS OF LITTLE RELEVANCE

The operations defined by the Board of Directors as of little relevance or repetitive do not need prior authorisation from the Monitoring Body, which will perform the relevant controls afterwards and as often as established.

Even though they may be considered related operations, previous authorisation is not required for those operations which have been expressly authorised by the Shareholders Meeting of the Undertaking for Collective Investment managed. These operations will be subjected to control afterwards to ensure that they were performed in the terms authorised.

For these purposes, repetitive operations or operations of little relevance are:

- The acquisition by an Undertaking for Collective Investment managed by the Management Company of securities or instruments issued or guaranteed by other Undertakings for Collective Investment managed by the group management company, provided that the investment policy contained in the informative brochure of the Undertaking for Collective Investment managed expressly caters for this possibility;
- The receipt of compensation for the provision of services to the Undertakings for Collective Investment managed, provided that said compensation corresponds to services actually provided and is included in the relevant schedule of prices of the entity which provides the service; and

Likewise, and regarding those operations of a repetitive nature which may arise in the day-to-day operation of the Management Company, the Monitoring Body may authorise them beforehand, establishing them as repetitive and authorising the future performance of identical operations. The aforementioned authorisation for future operations must be given expressly and in writing

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and, once given, will entail the monitoring and control described in point 8.2 below.

6. PUBLICITY OF RELATED OPERATIONS

The Management Company must inform about the procedures adopted to avoid conflicts of interest and about related operations performed in the form and detail defined by the Law on the Securities Market and regulations implementing it in its brochures and in the regular information published by the Undertakings for Collective Investment.

7. INFORMATION TO THE BOARD OF DIRECTORS

The Monitoring Body must inform the Board of Directors of the Management Company regarding related operations performed at least once every quarter.

8. OPERATION CONTROL AND MONITORING SYSTEM

The Monitoring Body may at any time request the information and/or documentation which it considers appropriate to check compliance with the rules concerning related operations.

8.1. Operations which require prior authorisation

Regarding operations which require prior authorisation, following their performance, the Monitoring Body will verify that the operation has been performed in compliance with the description on the authorisation request or in the additional information or documentation provided.

In order to perform the checks indicated in the previous paragraph, the Monitoring Body may ask the person responsible for the operation for the information and/or documentation which it considers appropriate.

Should the Monitoring Body detect any kind of anomaly or non-compliance in the cited operation, then it will inform the Board of Directors of the Management company immediately and in all events within a period of ten(10) days so that it can adopt the corrective measures which it considers appropriate.

8.2. Repetitive operations or operations of little relevance

Although prior authorisation from the Monitoring Body is not required for operations of this kind, the Body will at all times ensure that these

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operations are performed in the sole interest of the Undertaking for Collective Investment managed and at prices and in conditions equal to or better than market prices and conditions. More specifically, the repetitive operations referred to in this section are the temporary acquisition of assets, demand deposits and currency purchase and sale operations performed with the depository entity.

The aforementioned controls will be performed by the Monitoring Body at least once every three (3) months and the Monitoring Body may ask the person responsible for the operation for the information and/or documentation which it considers appropriate at any time.

Should the Monitoring Body detect any kind of anomaly or non-compliance in the cited operation, it may require the offender to cease performance of the anomalous operations immediately and will inform the Board of Directors of the Management Company immediately and in all events within a period of ten(10) days so that it can adopt the corrective measures which it considers appropriate.

8.3. Related operations between the group's Undertakings for Collective Investment

Regarding operations in which two of the group's own Undertakings for Collective Investment are counterparties, following their performance, the Monitoring Body will verify that the operation has been performed in compliance with the description on the authorisation request or in the additional information or documentation provided.

III.- MANAGEMENT COMPANY-DEPOSITORY SEPARATION RULES

The Management Company will ensure that measures are established which ensure the physical separation of the human resources and material devoted to management work from those of the Depository Entity, and the establishment of the computer instruments which prevent the flow of information which may create conflicts of interest between those in charge of the Management Company and the Depository Entity.

For this purpose, the Management Company will subject itself to the following rules of separation:

- a) No common Board Members or administrators with the Depository Entity.
- b) The effective management of the Management Company will be performed by persons independent of the Depository Entity.

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- c) The Management Company and the Depository Entity will have different addresses and their work centres will be physically separate.

The verification of compliance with the separation measures which aim to prevent conflicts of interest will correspond to an independent committee constituted within the Board of Directors of the Management Company.

IV.- GENERAL ORDERS

The Management Company has established internal control procedures which demonstrate that the investment decisions in favour of a certain Undertaking for Collective Investment or client are adopted prior to the transmission of the order to the broker.

More specifically, before operating, each manager writes up a case-by-case list of the economic amount or number of instruments of the same kind which he/she wishes to acquire or dispose of for the security in question regarding each Undertaking for Collective Investment managed.

Normally, the needs of each Undertaking for Collective Investment are calculated according to the assets of each Undertaking, taking into consideration, at all times, the investment objective, its situation regarding the risk limits set and the availability of cash.

Once the case-by-case list is written up, the Manager provides the relevant broker with the total amount (sum of the amounts of each Undertaking for Collective Investment) for execution.

The Management Company also has pre-established, objective criteria for the distribution or breakdown of operations which involve several Undertakings for Collective Investment or clients which guarantee fairness and non-discrimination between them. Once the orders have been executed, the manager proceeds to perform the share-out between the different Undertakings for Collective Investment according to the following criteria:

- o If the total of orders executed coincides with those ordered by the manager, then they are shared out between the Undertakings for Collective Investment according to the list written up previously.
- o If the total of orders executed does not coincide with those ordered by the manager, then they are shared out between the Undertakings for Collective Investment in strict proportion with the list written up previously.
- o If different acts of execution relevant to the same asset are formalised at different prices, then the following rules will be observed:
 - **As a general rule**, the share-out will be performed in accordance with the list written up previously,

at the average price of the acts of execution.

- However, **if the variations between the different prices are not significant**, then the criteria of faithfulness to the list defined previously is applied in a coherent manner in order to minimise the fractioning of each act of execution. This process is used when the possible differences which may occur between the Undertakings for Collective Investment are not relevant.
- **If the manager has not previously written up a case-by-case list and an executed operation needs to be allocated**, the share-out of the assets acquired or disposed of is performed in proportion to the assets of each Undertaking for Collective Investment, corrected, in the event, for cash-flow and risk situation, using the criteria set out above when applicable.

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APPENDIX 3 APPLICABLE CURRENT LEGISLATION

1. The rules of conduct regarding the securities markets are contained in the following provisions:
 - a) Heading 4 of Law 24/1988, of the 28th of July, on the Securities Market.
 - b) Royal Decree 217/2008, of the 15th of February, on the legal regime of investment service companies and other entities which provide investment services, modifying the Regulations of Law 35/2003, of the 4th of November, on undertakings for collective investment, approved through Royal Decree 1309/2005, of the 4th of November.
 - c) Royal Decree 1333/2005, of the 11th of November, implementing Law 24/1988, of the 28th of July, on the Securities market, regarding market manipulation and insider trading.
 - d) Order of the 25th of October 1995, partially implementing Royal Decree 629/1993, of the 3rd of May, on rules of action in the securities markets and mandatory registers.
 - e) Order of the 7th of October 1999, implementing the general code of conduct and rules of action in the management of investment portfolios.
 - f) National Securities Market Commission Circular 3/1993, of the 29th of December, on recording operations and filing order notes.
 - g) National Securities Market Commission Circular 1/1996, of the 27th of March, on rules of action, transparency and identification of clients in securities market operations.
 - h) National Securities Market Commission Circular 2/2000, of the 30th of May, on standard contracts for individualised, discretionary investment portfolios and other implementations of the Order of the 7th of October 1999, implementing the general code of

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conduct and rules of action in the management of investment portfolios.

2. The rules of conduct in the field of collective investment are contained in the following rules of law:

a) Chapter I of heading VI of Law 35/2003, of the 4th of November, on undertakings for collective investment.

b) Heading VI of Law 35/2003, of the 4th of November, on undertakings for collective investment, approved through Royal Decree 1309/2005, of the 4th of November.

3. The rules of conduct in the field of pension funds are contained in Articles 85 bis, 85 ter and 85 quarter of the Regulations on Pension Plans and Funds, approved through Royal Decree 304/2004 of the 20th of February.

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APPENDIX 4
CAN VIDA Y PENSIONES, S.A de Seguros

- I. - PURPOSE**
- II. - GENERAL RULES OF CONDUCT**
- III. - RULES ON THE DISTRIBUTION AND ALLOCATION OF ORDERS**
- IV. - RELATED OPERATIONS**
- V. - MANAGEMENT COMPANY-DEPOSITORY SEPARATION RULES**

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I. - PURPOSE

The aim of the present Appendix to the Regulations of Internal Conduct is for Can Vida y Pensiones, S.A. de Seguros to comply with the provisions of Royal Decree 1/2002, of the 29th of November, and with rules implementing it, particularly regarding its function as Pension Fund Management Company.

The articles in the rest of the Regulations of Conduct regarding the Securities Market apply for everything not covered in the present Appendix

II. - GENERAL RULES OF CONDUCT

- The company and the “persons under obligation” must comply, in general, with the following principles and requirements:
 - a) Act conscientiously and transparently in the interest of the Pension Funds managed and their participants and beneficiaries (both, hereafter, “the Funds managed”) and in defence of market integrity. It is considered that the company is not acting conscientiously and transparently in the interest of the “Funds managed” if in relation with the management of the same, it pays or receives fees or provides or receives benefit unless these are agreed on by the Control Committee, respect the provisions of these Internal Regulations of Conduct and comply with the provisions of the regulations of Pension Plans and Funds, particularly regarding maximum fees and information to participants regarding the fees and costs borne by the Pension Plan.
 - b) Organise itself/themselves in such a way as to prevent risks of conflict of interest and, in situations of conflict, to give priority to the interest of "the Funds managed", without favouring any of them.
 - c) Manage in an orderly, prudent fashion, protecting the interests of "the Funds managed".
 - d) Possess appropriate means to perform the work and apply appropriate internal controls to ensure prudent management and prevent non-compliance with the duties and obligations defined by current regulations. For these purposes, those manuals of operational procedures and rules of action considered necessary will be written up.
 - e) Ensure that they have all the information necessary on “the Funds managed” and always keep them appropriately informed, in accordance with current legislation.

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f) Guarantee the equal treatment of “the Funds managed”, avoiding favouring any of them when distributing the investments or withdrawals. For these purposes, the rules on distribution and allocations set out in Point III of these Internal Regulations of Conduct will be observed.

g) Record, in the manner which may be established, any possible conflict of interest regarding the “Funds managed”.

h) Perform transactions involving goods, rights, securities or instruments at market prices and in market conditions, unless the operations are performed in conditions which prove more favourable for “the Funds managed”.

i) In all events, know and respect both the specifications and the intention of the legislation on the securities markets and Pension Plans and Funds which affects their specific area of work, and the provisions of the present Internal Regulations of Conduct.

■ Under no circumstance must the company or “the persons under obligation”:

a) Perform practices whose aim or effect is the artificial evolution of trading prices.

b) Multiply the transactions without need and without benefit to “the Funds managed”.

c) Assign one or more securities to itself/themselves when they have “Funds managed” to which it would be advisable to assign these because they fit the relevant investment policy.

d) Place the sale of its/their own securities before that of those belonging to “the Funds managed”.

III.- RULES ON THE DISTRIBUTION AND ALLOCATION OF ORDERS

A. - Investment or withdrawal decisions in favour of a “Fund managed” or the criteria for distribution or breakdown of said decisions between the “Funds managed” will be adopted prior to the transmission of the relevant order to the brokering entity for the relevant market.

B. - In order to guarantee compliance with the provisions set out in the previous point, the Management Department will send the Control Department the relevant breakdown, duly dated, recording the time of issue. Once the orders have been executed, the Control Department will check that the allocations to the different “Funds managed” respect the breakdown sent by the Management Department.

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C.- The company will develop the criteria or operational procedures concerning the distribution or allocation of orders in its rules of procedure or action, including the exceptions to the same when for concurrent circumstances they may harm a Fund managed.

IV.- RELATED OPERATIONS

A. - Related operations are the operations referred to in the following Section performed by the persons or entities listed below:

a) Between the company and the Depository Entities (hereafter DE) when they involve a Pension Fund for which they act as Manager and Depository respectively, and those performed between the “Funds managed” and those who hold administration or management posts in the company.

b) By the company, when they involve a “Fund managed”, and by the DE, when they involve a Pension Fund for which they act as depository, with any other entity belonging to their same group, as defined in article 42 of the Code of Trade.

c) By the company, when they involve a “Fund managed”, and by the DE, when they involve a Pension Fund for which it acts as depository, with any other promoter or entity belonging to their group, regarding Pension Plans assigned to said “Fund managed”.

B. - Related operations are:

a) The receipt of compensation for the provision of services to a Pension Fund, except those provided by the company to the “Fund managed” or the DE to the Fund for which it acts as such.

b) The obtainment of financing or the establishment of deposits by a Pension Fund.

c) The acquisition by a Pension Fund of securities or instruments issued or guaranteed by one of the persons defined in part A above or in the issuance of which one of these persons acts as underwriter, insurer, director or consultant.

d) Any business, transaction or provision of services in which a Pension Fund takes part with: any company belonging to the economic group of

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the company, the depository or the promoters of the Pension Plans assigned or any of the members of their respective boards of directors; any member of the Control Committees of the Pension Fund or Pension Plans assigned; or another Pension Fund or asset managed by the same company or other Management Company belonging to the group.

The operations defined in this Part are also considered related operations when they are performed through intermediary persons or entities in the terms described in section 9 of article 70 of the Regulations of Pension Plans and Funds for the purposes of intermediary persons or entities.

C. - The following operations are not considered related operations:

a) Those performed by a "Fund managed" with its Management Entity or, in the event, with its DE, when these are a necessary consequence of the functions taken on by these.

b) The purchase and sale of Investment Company shares, and subscriptions and reimbursements of stakes in Investment Funds.

c) Those operations performed in regulated markets according to the conditions established in the same at free market price and in conditions of free competition.

D. - The performance of related operations must be authorised by the Control Committee of the "Fund managed" or by the Board of Directors of the company, when the Control Committee delegates asset management to the Board.

Both the Control Committee and the Board of Directors of the company may establish a procedure for the authorisation or verification of repetitive related operations and operations which, because they do not represent a significant volume of business, can be considered to be of little relevance. In the absence of a legal definition of the parameters of what should be understood as an operation of little relevance, then these shall be defined by the Control Committee or, if it so delegates, the Board of Directors of the company.

In order for a related operation to be authorised, it must be performed in the sole interest of the "Fund managed" and at prices equal to or better than market prices.

E. - Related operations which are not of little relevance or repetitive must be authorised by and communicated to the Board of Directors. These

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operations will be subjected to control afterwards to ensure that they were performed in the terms authorised.

V.- MANAGEMENT COMPANY-DEPOSITORY SEPARATION RULES

The company will ensure that measures are established which ensure the physical separation of the human resources and material devoted to management work from those of the Depository Entity, and the establishment of the computer instruments which prevent the flow of information which may create conflicts of interest between those in charge of the management company and the Depository Entity.

For this purpose, the company will subject itself to the following rules of separation:

- d) No common Board Members or administrators with the Depository Entity.
- e) Effective management will be performed by persons/entities independent of the Depository Entity.
- f) The Management Company and the Depository Entity will have different addresses and their work centres will be physically separate.

The verification of compliance with the separation measures which aim to prevent conflicts of interest will correspond to an independent committee constituted within the Board of Directors of the company.
