

Conflicts of Interest Management – Policy Summary

July 2023

This document summarises the Conflicts of Interest (“**Conflicts**”) arrangements that are applicable to Instinet and to all Instinet Staff. For these purposes:

- “**Instinet**” or “**Firm**” means Instinet International Limited, its direct or indirect subsidiaries (“**Subsidiaries**”), its branches (if any) and any branch of its Subsidiaries including, without limitation, Instinet Europe Limited, Instinet Germany GmbH and Instinet Global Services Limited; and,
- “**Instinet Staff**” includes all staff of Instinet including each executive board member and each person (whether salaried or non-salaried) employed or engaged on a full time, part-time, fixed term, as a trainee, in a contract or in a temporary role, or on secondment or transfer from other companies, including interns and freelancer/contractor.

Instinet is committed to maintaining high professional standards when providing services to its clients. Identifying and managing Conflicts in an appropriate way is an important part of demonstrating our commitment to clients and also acts as a key element in protecting the Firm’s reputation.

A **Conflict** is defined as *“any situation where Instinet or its staff, when undertaking business activities, act or have an incentive to act in a manner which is inconsistent with the obligation or duty to act for the benefit of our clients.”*

Conflicts may arise in various scenarios including new transactions, business proposals, and initiatives where Instinet or Instinet Staff:

- are likely to make a financial gain (or avoid a financial loss) at the expense of its client;
- has an interest in the outcome of the service provided to its client, which is distinct from the client’s interest in that outcome;
- has a financial or other incentive to favour the interests of one client (or group of clients) over the interests of another;
- carries on the same business as a client;
- receives an inducement from a third party in relation to a service provided to a client, in the form of monetary or non-monetary benefits or services;

A Conflict may exist when any person is in possession of information obtained in the ordinary course of its business which would benefit:

- the individual, the Nomura group of companies or a client, but such information is not publicly known; or,
- Instinet and Nomura Holdings Inc. (“**Nomura**”) and/or any undertaking controlled directly or indirectly by it due to inherent close links; or
- Instinet’s duty to its clients and/or its relationships with third parties; or

- Instinet's different business lines, such as providing agency broking business along with:
 - acting as an execution management system (EMS) vendor; and,
 - operating an independent multi-lateral trading facility (MTF), BlockMatch.

Instinet undertakes business only when a Conflict can be prevented or appropriately managed. This will occur when it has reasonable confidence that the procedures and measures that are designed to manage the Conflict according to the circumstances, have been implemented.

Instinet has in place controls to manage Conflicts, taking into consideration the nature and scale of Instinet's business. For further information relating to such controls, please contact Europe.Compliance@Instinet.com or UK.Compliance@Instinet.com.

Instinet was acquired by Nomura in February 2007. The two companies operate independently of one another, but sometimes interact with each other on selected matters, and therefore there is a potential either may become exposed to various Conflicts. The management of these Conflicts (should they occur) is paramount to ensure that both legal entities maintain a degree of independence from each other.

Interaction is only permissible on an arms-length basis and is managed through a variety of policies, procedures and training sessions. Instinet Staff are required to observe proper standards of conduct and client confidentiality when engaging with Nomura, as well as third parties.

Where a Conflict is deemed material and could result in damage to the interest of a client or clients, Instinet will record this and take all reasonable steps to manage the conflict, as well as disclose the conflict to the affected clients should it be deemed necessary to do so.

It may be appropriate to make a disclosure of a relevant Conflict. This may occur where Instinet's policies, procedures and controls are not sufficient to ensure, with reasonable confidence, that risks of damage to the interest of a client will be prevented. Instinet must clearly disclose the following before undertaking business for the client:

- the general nature and/or sources of the Conflicts, or both; and
- the steps taken to mitigate the risks of those Conflicts.

This disclosure will:

- be made in a durable medium;
- clearly state that the organisational and administrative arrangements established by Instinet to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented;
- include specific description of the Conflicts that arise in the provision of investment services or ancillary services;
- explain the risks to the client that arise as a result of the Conflicts; and
- include sufficient detail, taking into account the nature of the client, to enable that client to take an informed decision with respect to the service in the context of which the Conflict arises.

Examples of disclosures made to clients are included within Instinet's Terms of Business.

If Instinet is unable to ensure fair treatment for a client while managing Conflicts, it must decline to act for that client.

