

Information on the Conflicts of Interest Handling Policy

Nexent Bank N.V. (hereinafter “Nexent Bank”) holds its customers’ interests as a central and primary concern, and this is reflected in the way Nexent Bank conducts its business. Nexent Bank being a provider of a wide range of services may from time to time have interests which potentially conflict with its customers’ interests or with the duties that it owes to its customers. Therefore, Nexent Bank takes all appropriate steps to identify and to prevent or manage any potential conflicts of interests which entail a material risk of damage to its customers’ interests. In this respect, Nexent Bank has drawn up a Conflicts of Interest Handling Policy (hereinafter “Policy”), which specifies the potential conflicts of interest that may exist in Nexent Bank’s business and the procedures and measures implemented to identify, prevent and manage such conflicts of interest. This information sheet reflects the key highlights of the Policy.

Identification of Potential Conflicts of Interest

A potential conflict of interest may for example arise between:

- the interests of Nexent Bank and a customer;
- the interests of one customer and another;
- the interests of a customer and those of individual staff members of Nexent Bank;
- one branch of Nexent Bank and another branch of Nexent Bank; or
- one branch of Nexent Bank and a subsidiary of Nexent Bank.

For the purpose of identifying a potential conflict of interest in a certain case, Nexent Bank will consider all factual circumstances and will take into account whether Nexent Bank, its staff member(s), or any office of Nexent Bank:

- is likely to make a financial gain, or avoid a financial loss, at the expense of a customer;
- has an interest in the outcome of a service provided to the customer or of a transaction carried out on behalf of the customer which is distinct from the customer’s interest in that outcome;
- has a financial or other incentive to favour the interests of another customer or group of customers over the interest of the customer;

- carries on the same business as the customer; or
- receives from a third party in relation to services provided to a customer, any inducement other than the standard commission or fee for that service.

The above is not exhaustive, but it gives a broad indication of how to assess whether a potential conflict of interest has arisen or is likely to arise.

How do we prevent conflicts of interest?

In general, Nexent Bank has the following measures in place to prevent conflicts of interest.

- *Control of information.* Effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more customers.
- *Related Party Transactions Policy.* Related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Bank’s and its customers’ best interests. Therefore, the Bank has a Related Party Transactions Policy in place.
- *Anti-Bribery and Corruption standards.* The Bank has an Anti-Bribery and Corruption Policy in place that sets out Nexent Bank’s minimum standards to combat bribery and corruption. It applies to the Bank’s staff members including the Bank’s Managing Board.
- *Control over inappropriate influence.* Measures to prevent or restrict any staff member from exercising inappropriate influence over the way in which another staff member carries out services or activities. For this, a possible means of control is establishing different reporting lines.
- *Segregation of duties.* Preventing/controlling the involvement of staff in simultaneous/sequential tasks because such involvement may impair the proper prevention or management of conflicts of interests.

- *Rules for effecting private investment transactions.* Staff of Nexent Bank and its supervisory board members are subject to rules on private investment transactions. Such transactions should not conflict with the interests of customers or with the interests of Nexent Bank. In the event of unavoidable conflicts, the interests of customers and the interests of Nexent Bank prevail.
- *Pre-approval for outside activities (e.g. secondary employment).* Staff of Nexent Bank and its supervisory board members are subject to rules designed to avoid conflicts of interests with activities they undertake outside Nexent Bank, whether paid or unpaid.
- *Guidelines for handling gifts.* Staff of Nexent Bank will not accept or make any gifts other than those considered of insignificant value, and which meet the requirements for accepting or making gifts.
- *Rules for accepting, soliciting, or offering inducements (incentives).* Nexent Bank does not accept, solicit, or offer any inducements which impair compliance with its duty to act in the best interest of the customer or any person/entity acting on behalf of the customer. Inducements from third parties in relation to a service provided to the customer are acceptable only if:
 - the inducement is clearly disclosed to the customer prior to the provision of the relevant service;
 - the payment of either a fee or commission, or the provision of the non-monetary benefit is designed to enhance the quality of the relevant service to the customer.

How are conflicts of interest managed?

Nexent Bank employees and board members, as well as any other staff members, are at all times obliged to avoid situations which give rise or may give rise to the appearance or perception of a conflict of interest. Conflicts of interest which may not be avoided, must be managed promptly and fairly.

In case a Nexent Bank employee or a Nexent Bank board member (“Board Member”) gets involved in a

situation that gives rise to circumstances that could potentially be detrimental to the interests of Nexent Bank and/or the customers, the respective Nexent Bank employee or Board Member shall give notice thereof to Nexent Bank’s compliance function. In addition, Board Members shall notify and provide all relevant information on the subject matter without delay to the chair of Nexent Bank’s supervisory board and the members of the respective board which they are part of. The abovementioned obligations apply equally to Nexent Bank employees and/or Board Members having a (supervisory) position in a Nexent Bank group entity.

Nexent Bank has in place specific arrangements for the management of potential conflicts of interest in relation to so-called related party transactions. These can be found in Nexent Bank’s Related Party Transactions Policy.

In addition, a Private Investment Transaction Policy is in place to manage private investments of staff members. Furthermore, rules on gift handling and outside business activities are included in Nexent Bank’s Code of Conduct.

Proper management of any potential conflicts of interest requires that all information on the matter is treated with strict confidentiality. Without strict confidentiality, information about potential conflicts may be misused by (other) customers and/or staff members of the Nexent Bank. Claims for damages from customers, sanctions from Nexent Bank’s regulator(s) and damage to Nexent Bank or even to Nexent Bank group (i.e. Nexent Bank, its banking and non-banking subsidiaries) could then result.

In some cases, Nexent Bank’s arrangements may not be sufficient to ensure that a potential conflict of interest does not damage a customer’s interest. In these circumstances, Nexent Bank, as a measure of last resort, shall clearly disclose the general nature and/or source of the conflict to the customer before undertaking business with the customer or on the customer’s behalf. The disclosure to customers is made in a durable medium and includes sufficient details so to enable that such customer can take an informed decision with respect to the service in the context of which the conflict arises/has arisen.

Where there is residual risk of damage to the interests of any customer, Nexent Bank may refrain from acting with or on behalf of a customer.

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