

STOXX INFORMATION ON MANAGING CONFLICTS OF INTERESTS WITHIN STOXX LTD



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STOXX Ltd. is a global index provider, currently calculating a global, comprehensive index family of over 10,000 strictly rules-based and transparent indices.

STOXX Ltd. aims to prevent unlawful or unethical conduct in any business relationship and to create and maintain a transparent level playing field for its customers and users of benchmarks.

A conflict of interest is a situation in which the interests of one party of the conflict interferes with (or appears to interfere with) the interests of another party to the conflict impairing its ability to act fairly and ethically, i.e. its objectivity to make a decision or in the decision-making processes which it has to follow in the course of its professional obligations. A conflict of interest is not, in itself, evidence of wrongdoing. However, a conflict of interest can become a serious legal, regulatory or reputational issue, if not identified and managed effectively. In order to comply with all regulatory and statutory provisions as well as to avoid any negative effects on customers, users or STOXX Ltd. itself, STOXX Ltd. has put together standards on how to identify and manage actual and potential conflicts of interest, applicable to the members of the Management and all employees of STOXX Ltd. (including interns, students, temporary staff working for STOXX Ltd. and any other person who acts on behalf of or for STOXX Ltd., all referred to as "individuals").

The Management Board oversees the implementation and maintenance of effective organizational and administrative arrangements to identify, prevent, assess, manage and mitigate actual and potential conflicts of interest between STOXX Ltd. itself (including all individuals) and third parties, such as customers. Line managers must ensure that all employees who are working within their area of responsibility understand and adhere to the STOXX Ltd. standards regarding the identification and management of conflicts of interest. All individuals shall act with honesty, objectivity, personal responsibility and in accordance with the highest standards of integrity through their professional and personal behavior and respect all applicable laws and regulations in all relevant jurisdictions regarding potential or actual conflicts of interest. Furthermore, all individuals shall contribute to identify and avoid potential or actual conflicts of interest and check if a situation could arise to become a potential source of conflicts of interest.

Being a global index provider, conflicts of interest may arise in the process of provision of a benchmark or as STOXX Ltd. is part of Deutsche Börse Group, conflicts of interest may arise due to the ownership structure. Thus, appropriate actions to mitigate any actual or potential conflicts of interest have been determined to ensure that the respective conflict of interest does not negatively affect STOXX Ltd. and its individuals. The mitigating measures include:

- establishing an independent oversight function which shall include a balanced representation of relevant stakeholders, e.g. when administering benchmarks to ensure that any judgement/ discretion in the benchmark determination process is independently and honestly exercised
- a group-wide conflict of interest policy applicable to all STOXX Ltd. as well as Deutsche Börse Group individuals implementing Zones of Confidentiality in order to avoid or to control the exchange of information by establishing virtual or physical information barriers ("Chinese Walls") for certain business departments, business lines or units, restricting IT and physical accesses, and to allow for the segregation of duties/ responsibilities, functions and areas to operate with the appropriate independence. Conflicting activities/ services shall be entrusted to different individuals. This also applies between Deutsche Börse Group and its legal entities as well as between the separate legal entities of Deutsche Börse Group.
- establishing procedures for the disclosure of (potential) conflicts of interests, e.g. on personal, Group or institutional level
- implementing policies, procedures and controls to prevent market abuse, including trading restrictions (e.g. trading bans/windows, retention periods, pre-approval processes, all of which depending on the Compliance Level) and monitoring activities (e.g. list

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- management, ex post transaction monitoring by way of duplicates, declaration of completeness of securities accounts and personal account dealings)
- establishing binding principles/ policies/ pre-approval processes for providing or receiving inducements, incentives, gifts or other monetary or non-monetary benefits to/ from a person other than the customer in relation to a service provided to the customer
 - establishing pre-approval processes and suitability assessment policies and procedures for the acceptance or limitation of mandates, secondary employments or managerial positions in other (including competing) companies for individuals
 - ensuring all STOXX Ltd. individuals are adequately trained on their obligations and on the applicable procedures regarding conflicts of interest management
 - ensuring that information collected be treated in a non-discriminatory fashion
 - ensuring that policies and decision-making on employees' remuneration are mindful of conflicts of interest
 - establishing escalation procedures, e.g. requirement of a member of a board or committee to disclose any potential or actual conflict of interest to the chair of the respective board or committee
 - establishing reporting processes that enable individuals ("whistleblowers") to report conflict of interest breaches outside regular reporting lines, ensuring the protection of the personal data of both the person who reports the breach and the natural person who is allegedly responsible for the breach
 - disclosure of material conflicts of interest to competent authorities, if applicable
 - Documentation of (potential) conflicts of interest, particularly in the form of conflict registers/ databases