



Centrálny depozitár cenných papierov SR, a. s.

POLICY FOR MANAGING CONFLICT OF INTEREST

in Centrálny depozitár cenných papierov SR, a.s.

23 May 2023

Centrálny depozitár cenných papierov SR, a.s.
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reg. in Business Register of the City Court Bratislava III
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DEFINITIONS

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| Protected Interests | For purpose of these internal guidelines these are mainly interests of CDCP, interests of CDCP clients, including the participants and clients of the participants. |
| Client | For purpose of these internal guidelines it is entity to which CDCP provides for services in connection with performance of its activities. By the client is understood a member, a participant, linked central depository, other market infrastructure or an issuer to which CDCP granted access to the services. Also a person applying for service provision or access to CDCP services, or third person acting on behalf of, or on account of persons pursuant to this definition on basis of the Power of Attorney or other authorisation is considered to be the client. |
| Notification | is administrative action of person directly or indirectly connected to an employee, member of top-management, member of the management body of CDCP, by which the Compliance Department is informed that the person got knowledge on fact/facts in connection with performance of her/his employment, function or position, that can contribute to elimination of real or eventual conflict of interests. |
| Informant | Any person who placed the Notification in sense of this policy for managing of conflicts of interest. |
| Directly or indirectly connected person | Includes wife/husband or partner, family members in ascending or descending lineage to second level and their spouses or partners, and any person with same domicile or usual residence as employees, managers or members of the managing body. |
| Participant | Any participant in the settlement system to who has been granted access by CDCP in compliance with article 33 of the CSDR Regulation and the Rules of Operation of Centrálny depozitár cenných papierov SR, a.s. |

| | |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interested party | For purpose of these internal guidelines it is CDCP, CDCP employees, members of CDCP management body, members of CDCP top-management and other persons directly or indirectly connected to specified persons or to CDCP. |
| Employee | Is a natural person who performs dependent work for CDCP on basis of labour relationship or other similar relationship. |

ABBREVIATIONS

| | |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CDCP | Centrálny depozitár cenných papierov SR, a.s. |
| Compliance Department | Organizational unit of CDCP in which the performance of an independent Compliance function is administratively involved and its responsibility is the management of conflict of interest. For the purposes of this Directive, the term Compliance Department is used also for the purpose of performing Compliance function. |
| CSDR Regulation | Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012. |
| RTS | The Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories |
| SR | the Slovak Republic |

Article I

Introductory provisions

Centrálny depozitár cenných papierov SR, a.s. with registered seat at 29. augusta 1/A, 814 80 Bratislava, company ID: 31 338 976, registered in the Business Register of the City Court Bratislava III, section: Sa, file No. 493/B in compliance with relevant provisions of the Regulation (EU) No. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 and related Commission Delegated Regulation, issued this policy addressed to the public in relation to persons who are not CDCP employees. Purpose of this policy is to inform on management of conflict of interest in conditions of CDCP and setting of standard procedures applied to manage the conflict of interest in relation to persons who are not CDCP employees and definition of procedures to notify on possible or existing conflicts of interest.

Article II

Definition of conflict of interests

1. **Conflict of interests** is situation when it is possible reasonably presume that interest on impartial and objective performance of employment, function or position, and/or when fulfilling other task, could be corrupted or threatened in case of interested persons due to personal, financial or any other interest which could result in significant risk of violation of protected interests.
2. For purpose of this policy CDCP distinguish following conflicts of interest:
 - a) **potential**, when formal attributes pursuant to section 1 are met and risk that real conflict of interests shall occur exists, but interested parties didn't act or conditions which could cause conflict of interests violating protected interest didn't occur by that time,
 - b) **real**, when formal attributes pursuant to section 1 are met, interested parties already acted, or conditions causing conflict of interests occurred at interested parties and protected interest were violated or danger of violation is imminent.
 - c) **permanent**, when it's not possible effectively prevent to detected real conflict of interest, or it is not possible to exclude it due to the nature of the matter or other similar reason.

Article III

Principles and measures preventing conflict of interests

1. CDCP is continuously controlling and monitoring its activities and services in manner ensuring adequate protection and prevention of creation of conflict of interests in the highest

possible degree, and it aims to avoid conflict of interest before entering into situations in which conflict of interests could possibly occur.

2. CDCP fully respects restrictions and measures focused on prevention of conflict of interests set by valid regulations of the Slovak Republic, legal acts of the European Union, **primarily by CSDR and RTS.**
3. CDCP has organisational structure which takes into account the rules of required segregation of incompatible functions. Segregation of incompatible functions means separation of personnel and systemic prevention of their mutual influence and unrequired flow of information, what could result in their incorrect application and consequently in possible conflict of interests.
4. Employee remuneration system of CDCP is set such way that it does not motivate to creation of conflict of interests. All members of CDCP management bodies, top-managers of CDCP and CDCP employees are restricted with regard to accepting of gifts or other benefits related to performance of their function or tasks.
5. With regard to conflict of interests following basic principles are relevant in CDCP:
 - a) prevention of conflicts of interests
 - b) identification of conflict of interest,
 - c) resolution of conflict of interests,
 - d) adoption of adequate measures,
 - e) correction of detected conflicts of interests,
 - f) protection of confidential information.
6. CDCP adheres to principle of equal and fair treatment of all clients.

Article IV

Possible parties to conflict of interests

1. In CDCP conflict of interest can arise among:
 - a) CDCP employees, members of CDCP top-management, members of CDCP governing body mutually and among mentioned persons on one side and CDCP on the other side,
 - b) CDCP, CDCP employees, members of CDCP top-management, members of CDCP governing body or any person directly or indirectly connected to these persons on one side and clients on the other side,

- c) CDCP, CDCP employees, members of CDCP top-management, members of CDCP governing body or any person directly or indirectly connected to these persons on one side and clients of the participants on the other side,
- d) CDCP, CDCP employees, members of CDCP top-management, members of CDCP governing body or any person directly or indirectly connected to these persons on one side and subjects externally supplying activities and services used by CDCP on the other side.

Article V

Circumstances incurring conflict of interests

1. For circumstances which may cause conflict of interests among the parties specified in Article IV is regarded acting of interested party which aim is mainly:
 - a) to obtain financial or other benefit by unauthorised exploit of its position or confidential information which is accessible to the interested party,
 - b) to prefer interests of one CDCP client (or group of clients) to interests of another CDCP client (or other group of clients),
 - c) personal interest of interested party in utilisation of services, supplies and equipment of CDCP for purpose of other business activity related to CDCP business activity,
 - d) personal or financial interest of interested party in entity which is to conclude or has concluded an agreement with CDCP,
 - e) personal or financial interest in entity using CDCP services.
2. For circumstances under which conflict of interests could incur are considered also:
 - a) capital participation or personal interest of interested party in entity which externally supplies services to CDCP, including any entity which was entrusted by CDCP to provide services or activities,
 - b) linking of interested party to any legal or natural person influencing activities of the entity which externally supplies services used by CDCP or is using services proved by CDCP,
 - c) case when the interested party is a member of governing body or other bodies or committees of entity, which externally supplies services used by CDCP, or is using services provided by CDCP.
3. In order to detect conflict of interests mainly circumstances creating conflicts of interests pursuant to section 1 and 2 of this article and provisions of relevant regulations are always

considered. This is without prejudice to other circumstances and acting able to create conflict of interests and risk of violation of protected interests.

Article VI

Reporting of conflict of interests

1. Any person who got knowledge on real conflict of interests (including permanent conflict of interests), or on rise of potential conflict of interest of interested party, can inform CDCP on them via notification. Template of recommended notification is published on the web site www.cdcp.sk.
2. Notification according to section 1 of this article can be placed:
 - a) in writing to the address of CDCP seat – Centrálny depozitár cenných papierov SR, a.s., ul. 29. augusta 1/A, 814 80 Bratislava,
 - b) verbally in the seat of CDCP, whereas written record of the notification has to be made and signed by both parties, or
 - c) via electronic mail to the e-mail address compliance@cdcp.sk.
3. In case the informant wishes to stay anonymous, she/he can mark the envelope with text: “Do not open – notification on conflict of interests”. If the person who placed the notification required for discretion, CDCP shall keep her/his identity in secrecy if the identity is known and it does not prevent to proper revision of placed notification.
4. Upon request, the CDCP will briefly confirm (in writing or by e-mail) receipt of the notification to the informant, unless it is an anonymous notification. CDCP is obliged to review each notification in reasonable time, including anonymous notification. CDCP briefly informs the notifier about the result of the review, i.e. whether or not a conflict of interest has been detected, with the fact that in the event of a conflict of interest being detected, internal rules will be applied to take measures to resolve the conflict of interest.
5. In the case the conflict of interests was detected, CDCP shall inform the informant and the person to whom the notification concerns on result of the review.
6. Notification on conflict of interests shall be processed by the organisational unit of CDCP which scope of activity is covering management of conflict of interests.

Article VII
Final provisions

1. This policy creates inseparable part of CDCP regulations on governing of conflict of interests and becomes valid on its approval by the Board of Directors on 23 May 2023 and effective on 1 June 2023.
2. The policy on conflict of interest management is available to public in CDCP seat and on the web site www.cdcp.sk