

Coinbase Financial Services Europe Ltd

Conflicts of Interest Policy

1. Overview

The purpose of this Conflicts of Interest Policy is to explain how Coinbase Financial Services Europe Ltd (“CBFSE”), prevents, identifies, records, manages and controls conflicts of interest.

CBFSE aims to reduce the risk of client disadvantage, legal liability, regulatory censure, and damage to CBFSE's commercial interests and reputation through a robust process for managing conflicts.

2. Applicability

This policy applies to all CBFSE directors, executive management, and employees regardless of their employment contract and/or title i.e., including 3rd parties, contractors, part-time employees etc. for the duration of the contract. All functions are required to take appropriate steps to identify and to prevent and/or manage any known or potential conflicts of interest.

3. What is a Conflict of Interest

A ‘conflict of interest’ (“conflicts”) may be defined as a situation in which a person is or may be in a position to derive personal benefit (or benefits for their friends and family) from actions or decisions made in their official capacity. This most typically arises as a situation in which an individual within an organisation has competing interests or loyalties. A person or organisation’s ‘vested interests’ may raise questions as to whether their judgement, decision making, and actions can be unbiased.

A conflict of interest could arise where there is a competing professional or personal interest between CBFSE and its directors, staff, associates, or clients.

Without adequate control, a conflict of interest may prevent the provision of services in an independent or impartial manner.

4. Identifying Conflicts of Interest

All CBFSE directors, executive team members and employees must avoid situations in which their personal interests may conflict, or appear to conflict, with the interests of CBFSE and its clients. Everyone has a responsibility to exercise good judgement in all personal and business dealings, whether acting on behalf of CBFSE or otherwise and to avoid actions or relationships which might conflict or appear to conflict with their job or with the interests of CBFSE.

It is not possible to list every situation that might give rise to a conflict of interest, and the responsibility for conduct within the letter and the spirit of this Policy regarding conflicts of interest rests with each individual. It is, however, important to avoid not only any situation that is an obvious conflict of interest, but also to be aware of situations that might appear to be a conflict.

These situations can include but are not limited to:

- Conflicts between CBFSE employees;
- Conflicts between an existing employee and an applicant for a position within CBFSE;
- Conflicts between CBFSE and its employees;
- Conflicts between the client and CBFSE;
- Conflicts between clients of CBFSE;
- Conflicts involving outside employment or business interests;
- Conflicts from personal or family relationships;
- Conflicts from external commitments;
- Conflicts involving gifts, entertainment and travel; or
- Conflicts from financial or investment interests.

5. Managing Conflicts of Interest

CBFSE maintains robust internal controls and procedures to ensure compliance with its Conflicts of Interest Policy, including:

- Measures to prevent or limit conflicts of interest in the provision of investment and ancillary services to clients;
- Procedures to prevent or control the exchange of information between Relevant Persons (as defined in the Delegated Regulation (EU) 2017/565 as regards to organisational requirements and operating conditions for investment firms) 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 Clients (Information Barriers);
- The removal of any direct link between the remuneration of Relevant Persons principally engaged in one activity and the remuneration of, or revenues generated by, different Relevant Persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- Measures to prevent or limit any person from exercising inappropriate influence over the way in which a Relevant Person carries out investment or ancillary services or activities;
- Measures to prevent or control the simultaneous or sequential involvement of a Relevant Person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest (Segregation of duties).
- The separate supervision of Relevant Persons whose principal functions involve carrying out activities on behalf of, or providing services to, Clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of CBFSE;
- Personal account dealing restrictions applicable to all staff and their close-linked associates;
- Adherence to a gifts and inducement policy to log and control the receipt of gifts or a certain value/nature by our employees and/or directors; and
- Processes to ensure any inducements offered do not introduce bias or cause a conflict of interest.

CBFSE ensures that the procedures and measures adopted are designed to ensure that staff engaged in different business activities involving a conflict of interest carry on those activities at a level of independence appropriate to the size and activities of CBFSE, and of

the group to which CBFSE belongs, and to the materiality of the risk of damage to the interests of Clients.

6. Disclosure / Declining to Act

If a conflict of interest arises that CBFSE cannot properly manage through its existing policies, it will disclose the conflict to its clients.

The disclosure will clearly state that CBFSE's existing arrangements are not enough to reasonably ensure the conflict will not damage the client's interests.

The disclosure will provide:

1. A specific description of the conflict that has arisen related to investment or other services provided to the client;
2. An explanation of the general nature and sources of conflicts at CBFSE;
3. Details of the risks the conflict poses to the client; and Steps taken by the Company to mitigate these risks.

The description will include enough detail for the client to make an informed decision about the service in the context of the conflict.

Disclosure is only used as a last resort by the Company. The preference is to prevent conflicts through existing policies.

Alternatively, if CBFSE determines that it is unable to manage a conflict of interest using one of the methods described in this policy, CBFSE may choose to decline to act on behalf of the client concerned.