Policy

Conflicts of Interest Policy – Firmwide

Current Effective Date: January 13, 2021

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1. **Summary or Rationale**

In the normal course of business, JPMorgan Chase & Co. and its affiliates and subsidiaries (Firm or JPMC) face actual, potential and perceived conflicts of interest (Conflicts).

The Conflicts of Interest Policy – Firmwide (Policy) requires the Firm, its Lines of Business (LOBs), Corporate Functions (CFs) and its Workforce Members to identify and manage Conflicts in accordance with an established Conflicts of Interest Framework (Framework).

Standards for the appropriate management of the Firm’s Conflicts are based on the principles and requirements found in the Code of Conduct, the Supplier Code of Conduct, and this Policy and related LOB and CF policies.

The identification and management of Conflicts, whether actual, potential or perceived, is critical. Some Conflicts may be impermissible as a matter of law, regulation, or Firm or LOB/CF policy. Other Conflicts may be permissible, and the Firm has procedures and controls to mitigate actual, potential or perceived Conflicts that might arise from the Firm’s or its Workforce Members’ own activities.

Where local or national law or regulatory expectations impose additional requirements to those imposed by the Code of Conduct and this Policy, the Firm, LOBs, CFs and Workforce Members must follow those additional requirements.

Questions about the interpretation of a law or regulation, or regarding regulatory expectations should be referred to Legal or Compliance as applicable.

Failure to identify and appropriately manage Conflicts could result in adverse consequences for the Firm and Clients. These include damage to the Firm’s reputation, Client relationships, loss of Client business, regulatory sanctions and risk of litigation.

2. **Conflicts of Interest Framework**

A Conflict may exist when the interests of the Firm, a Workforce Member or a Client oppose one another.

Conflicts pose risks that professional decisions or actions will be unduly influenced by personal or other motivations that have the potential to damage Client interests. Actual, potential or perceived Conflicts may damage to the Firm’s Client relationships or reputation.

The Firm’s Conflict of Interest Framework provides a disciplined and structured approach for Conflicts identification and management. The Framework consists of:

- Conflicts Types and Conflicts Categories
- Conflicts Risks Identification and Controls Evaluation in order for LOBs and CFs to identify and assess Conflicts risks that could arise in the course of carrying out the Firm’s business
- Management of Conflicts is designed to address, mitigate, and prevent, where possible, Conflicts Risks. Management of Conflicts includes:
  - Policies, Standards and Procedures
  - Training
3. **Conflicts Types and Categories**

LOBs and CFs must be aware of the Conflicts that may arise across the four Conflict Types and seven Conflict Categories:

- **Conflict Types** include:
  1. **Firm vs. Client** – Conflict where the Firm’s interests may be opposed to one or more Clients’ interests
  2. **Employee vs. Client** – Conflict where a Workforce Member’s interests may be opposed to one or more Clients’ interests
  3. **Client vs. Client** – Conflict where a Client’s interests may be opposed to the interests of one or more other Clients
  4. **Employee vs. Firm** – Conflict where a Workforce Member’s interests may be opposed to the Firm’s interests

- **Conflict Categories** set forth the general substantive issue that a particular Conflict raises:
  1. **Conduct** – An individual action or decision by a Firm Workforce Member (for example, in managing gifts and entertainment, complaints, personal political activities, their engagement in outside activities, or business dealings with those with whom they have a personal relationship) may conflict with the interests of the Firm, or the Client. For more information, please refer to the [JPMC Code of Conduct](#).
  2. **Client management** – Conflict arising in the management of the Client account (including providing recommendations, advice, setting fees, or conditioning products/services offerings) in a manner that is potentially not in the best interests of the Client.
  3. **Dealings between related parties and interests, and Client accounts** – Conflict arising from transactions between related parties/interests of the Firm and Client accounts potentially represent self-dealing.
  4. **Dealings with affiliates, and related parties and interests** – Conflicts in which the Firm, acting on the Client’s behalf, engages with Affiliates, or related parties and interests of the Firm, which potentially may not be in the Client’s best interest.
  5. **Dealings with third parties / Suppliers that result in financial benefits to related parties and interests** – Conflict in which the Firm receives financial benefit, in the form of either direct or indirect compensation, from a third party and/or Supplier for an agreed arrangement (for example, obtaining services, outsourcing services, directing trading to exchanges) that could affect the Firm’s exercise of its best judgment, and therefore potentially may not be in the Client’s best interest.
6. **Trading & portfolio management** – Conflict may arise in the management of the Firm’s trading activities, whether proprietary or on behalf of Clients, where the Firm may benefit from certain activities that are not in the best interest of the Client, including, but not limited to, potential fraud or market manipulation.

7. **Material Non-Public Information** – Conflict arising from the potential use of Material Non-Public Information (MNPI) by a Workforce Member for the benefit of the Firm (for example, through front running a Client trade) or the Workforce Member individually (for example, through trading for the benefit of their personal account).

4. **Conflicts Risks Identification and Controls Evaluation**

   LOBs and CFs are required to take appropriate steps to identify and assess Conflicts risks as applicable. LOBs and CFs are required to identify scenarios giving rise to actual, potential or perceived Conflicts in accordance with this Policy and other JPMC policies and procedures and to implement and evaluate controls that manage, mitigate and where possible, prevent such Conflicts Risks.

   Notwithstanding the above, because of the breadth of the Firm’s product and service offerings and Client base, it is not possible to enumerate in this Policy every circumstance that could give rise to an actual, potential or perceived Conflict. Workforce Members should be alert to identifying situations that may give rise to a potential Conflict, including those that fall into one or more enumerated Conflict Types and Conflict Categories. Workforce Members must consider the nature of JPMC’s relationship with the parties involved when identifying a Conflict. If JPMC owes a fiduciary duty to a Client, Conflicts may arise in circumstances where none would otherwise exist.

5. **Management of Conflicts**

   Management of Conflicts includes policies, standards, and procedures; training; management and oversight; and other controls. LOBs and CFs must establish the methods by which Conflicts are addressed, mitigated, and, where possible, prevented. As detailed below, LOBs and CFs, in consultation with the control functions, must establish and maintain policies, procedures, training, oversight and other controls for identifying, managing and, where possible, preventing Conflicts.

   5.1. **Policies, Standards and Procedures**

   LOBs and CFs are subject to Firmwide policies and standards governing particular activities that give rise to actual, potential and perceived Conflicts.

   Firmwide policies and standards include, but are not limited to, the following:

   - Political Contributions,
   - Personal Trading and Outside Business Activities
   - Gifts, Business Hospitality and Inducements
   - Information Barriers
   - New Business Initiative Approval
— Third Party Oversight (TPO) Program

LOBs and CFs must adopt additional policy(ies) and or standard(s) addressing Conflicts where required under local law or regulatory guidance.

LOBs and CFs may also adopt procedures, where relevant, to identify, manage, help prevent and, where appropriate, disclose actual, potential and perceived Conflicts.

5.2. Training

The Firm conducts ongoing risk-based training to enhance Workforce Members’ understanding on how to identify and mitigate specific Conflict risk in their function, including guidance on how to follow specific policies, standards and procedures.

Each LOB and CF may provide risk-based training to Workforce Members on identifying and managing relevant Conflicts, as appropriate.

5.3. Management and Oversight

5.3.1. LOB and CF Committees

Each LOB and CF is responsible for the oversight of its Conflicts and associated Conflicts Risks. Each LOB and CF must establish and maintain governance structures, including committees, as appropriate, and determining escalation as appropriate for Conflicts.

5.3.2. Firmwide Committees

The Firmwide Fiduciary Risk Governance Committee (FFRGC) provides Firmwide oversight of the governance framework for fiduciary related COI risks inherent in each LOB.

5.3.3. The Global Conflicts Office

The Global Conflicts Office is an independent function with a global footprint and is responsible for the oversight of the Firm’s identification and management of transactional conflicts of interest. The Global Conflicts Office partners closely with senior global and regional management alongside LOB Legal and LOB Compliance to manage potential Conflict situations from both a transaction and a Client relationship standpoint. Transactions reviewed by the Global Conflicts Office include corporate finance, merger & acquisition advisory assignments, acquisition financings, private placements or underwritten debt, equity offerings, banking financings, certain markets-related transactions and strategic acquisitions undertaken for the benefit of the Firm.

The Global Conflict Office reviews information about proposed transactions together with information concerning other transactions or relationships within the Firm to determine if an actual, potential or perceived Conflict exists. The Global Conflict Office then either approves (where no Conflicts exists), approves with conditions (where a Conflict can be appropriately managed with the imposition of additional controls) or rejects the transaction (where a disabling Conflict exists that cannot be managed). The Global Conflicts Office also oversees deal team staffing on specific transactions and, in consultation with LOB Legal and LOB Compliance, approves or rejects individuals as members of deal teams based on a review of other transactions they are currently or have previously been staffed on and their Client relationships.
LOBs and CFs are required to contact and/or report activities to the Global Conflicts Office.

5.3.4. **Reputation Risk Offices / Firmwide Reputation Risk Governance**

Each LOB, CF and employee must consider the reputation of the Firm, and not just business benefits and regulatory requirements, in deciding whether to pursue any new product, transaction, Client relationship, business process, or any other matter.

Any activity that has the potential for material reputation risk must be escalated to the relevant LOB Reputation Risk Offices (RROs) or the Firmwide Reputation Risk Governance (FRRG), as appropriate.

5.4. **Other Controls**

5.4.1. **Separation of Job Functions**

If a business with two or more job functions/responsibilities within a LOB would lead to Conflicts, the LOB must institute appropriate controls to manage and, where possible, prevent the possible Conflicts. Controls may include splitting the job functions/responsibilities into separately-managed businesses, having the job functions/responsibilities managed by different senior members of staff, or providing appropriate training of senior staff and the job functions’/responsibilities’ Workforce Members in managing Conflicts.

5.4.2. **Compensation**

The Firm’s governance and management structure delineates responsibility and accountability for incentive compensation arrangements so that such arrangements are designed to appropriately consider Conflicts as a component of conduct risk management, including to incentivize Workforce Members to act in a manner that builds long-term, sustainable Client relationships and does not incentivize behavior that would create a Conflict between themselves and the Firm or Clients.

5.4.3. **Disclosure**

LOBs and CFs must disclose actual, potential, or perceived Conflicts to third parties where required by law or regulation. When appropriate, LOBs should also consider disclosure to enable affected third parties to make an informed decision (e.g., when the means of managing a Conflict are limited or mitigation is insufficient).

Conflict disclosures must be clear, appropriately specific, reasonably prominent, and, when feasible, provided with prior notice to permit the third party an opportunity to review the disclosure before proceeding with the service. If the Conflict relates to Conflicts between Clients, disclosures that contain reference to the Firm’s other Clients must adhere to any contractual or regulatory restrictions about sharing Client information.

Affirmative third-party acknowledgement of the Conflict is not required under this Policy for the Firm to continue with the activity that originally gave rise to the actual, potential, or perceived Conflict. However, business-specific policies, procedures, and local law may require such acknowledgement in certain circumstances.
For further information about whether disclosures are required or questions regarding their format, content, timing or other aspects, LOBs and CFs should contact Legal or Compliance.

5.4.4. Workforce Member Escalation

Workforce Members have a responsibility to appropriately escalate instances of Conflicts per LOB and CF procedures to allow the LOB or CF to consider the potential Conflict. Failure to escalate could expose the Firm to regulatory non-compliance, as well as reputation risk.

Workforce Members must escalate actual, potential or perceived Conflicts to their manager and Compliance and or any other method set forth under the Firm’s Code of Conduct. In consultation with LOB or CF Compliance, a manager is responsible for appropriately assessing, mitigating, and/or disclosing a Conflict, when possible, or should escalate to their supervisor/manager. LOBs and CFs are responsible for escalation of Conflicts in committees as set forth in 8.3.1.

6. Defined Terms

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<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Client</td>
<td>Refers collectively to Clients, potential Clients and counterparties, including existing and prospective Clients of the Firm where the Firm is actively seeking to enter into a relationship for the provisions of Firm services.</td>
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<tr>
<td>CF</td>
<td>Corporate Function</td>
</tr>
<tr>
<td>Conflict(s)</td>
<td>Actual, potential, or perceived conflict(s) of interest</td>
</tr>
<tr>
<td>CORE</td>
<td>Control and Operational Risk Evaluation process</td>
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<tr>
<td>Engagement</td>
<td>An Engagement is a Transaction, or a set of closely related Transactions, where a Supplier is providing Goods and/or Services to, or on behalf of JPMC. Most commonly, an Engagement is represented by a unique Contract, which may be a schedule, statement of work, or a task order under a Master or other agreement document(s).</td>
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<tr>
<td>Firm</td>
<td>JPMorgan Chase &amp; Co., and its affiliates and subsidiaries</td>
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<td>Investment Services and Activities</td>
<td>As defined in Section A (Investment services and activities) and B (Ancillary services) of Annex I of MiFID II:</td>
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<td></td>
<td>UK As defined in Part 3 of Schedule 2 to the Regulated Activities Order and Ancillary Services as defined in Part 3A to the Regulated Activities Order.</td>
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<tr>
<td>JPMC</td>
<td>JPMorgan Chase &amp; Co., and its affiliates and subsidiaries</td>
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<tr>
<td>LOB</td>
<td>Line of Business</td>
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Information that is not known by the public, but if it were, would likely affect the market price of the financial instruments to which the information relates or a reasonable investor would consider important in making, or would be likely to be used as part their investment decision regarding those financial instruments, as applicable.

For the purpose of this Policy, the terms Material Non Public Information (MNPI) and Inside Information (collectively known as “Inside Information” or “MNPI”) are synonymous and used interchangeably.

Reputation Risk
The risk that an action or inaction reduces trust in the Firm’s integrity or competence by its various constituents, including Clients, counterparties, customers, investors, regulators, Workforce Members, communities or the broader public.

Supplier
A “Supplier” is any external non-Affiliated entity (company or individual) that supplies Goods and/or Services to or on behalf of JPMC, including those that conduct business in the Firm’s name and utilize the Firm’s regulated entity status.

Third Party Oversight (TPO) Program
Refers to JPMC’s Third-Party Oversight process developed by the Corporate TPO team with distributed oversight responsibilities delegated to LOB Delivery Managers, Executive Sponsors, Supplier Oversight Services (SOS) teams and other Stakeholder groups across the Firm.

7. Appendix A: MiFID II and UK Rules and Legislation

In addition to the requirements detailed in this Policy, the following requirements are articulated in this Appendix A for the purposes of adherence with the Markets in Financial Instruments Directive (MiFID II) and UK Rules and Legislation and shall also apply with respect to Conflicts related to the Firm’s regulated EEA and UK legal entities providing investment services and activities and, where relevant, ancillary services (collectively, “Investment Services and Activities”). For the purposes of this Appendix A, the term “Client” means a professional, retail or eligible counterparty to whom Investment Services and Activities are provided.

7.1. Identification, Management or Prevention

The requirements detailed in this Policy in respect of the identification, management or prevention of Conflicts apply in respect of the Firm’s carrying out of Investment Services and Activities.

7.2. Disclosure

Each LOB and CF must adopt procedures and controls in order to ensure that, where the arrangements in accordance with this Policy to prevent or manage its Conflicts are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of the Client will be prevented appropriate disclosure regarding that Conflict is provided to the Client before undertaking (or continuing to undertake) Investment Services and Activities on their behalf.
For Investment Services and Activities, the Firm should not place an over-reliance on disclosure in order to manage Conflicts. Disclosure of Conflicts to Clients is permitted to be used only as a measure of last resort.

Where disclosure of the Conflict to the Client is both required and permitted, it must be made in a durable medium and take into account the nature of the Client, so that the Client can make an informed decision, and include the following:

- Description of the general nature or sources of Conflicts;
- Description of the risks to the Client that arise as a result of the Conflict and the steps taken to mitigate those risks;
- Clear statement that the organizational and administrative arrangements established by the Firm 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; and
- Description of the Conflict that arises in the provision of the Investment Services and Activities.

7.3. Reports to Senior Management

For Investment Services and Activities carried out by or on behalf of the Firm, each LOB and CF must adopt procedures and arrangements to ensure that senior management are provided with, on at least an annual basis, written reports on situations where:

- Detrimental Conflicts entailing a risk of damage to the interests of one or more Clients have arisen in respect of a particular Investment Services and Activities carried on by the Firm, or, in the case of an ongoing Investment Service and Activities such a Detrimental Conflict may arise.

- For the purposes of identifying a ‘Detrimental Conflict’, the Firm shall take into account, by way of minimum criteria, whether as a result of providing the Investment Services and Activities:
  - The Firm is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
  - The Firm has an interest in the outcome of a service provided to the Client, or a transaction carried on behalf of the Client, which is distinct from that Client’s interest in that outcome;
  - The Firm has a financial or other incentive to favor the interest or another Client or group of interests over the Client;
  - The Firm carries on the same business as the Client; or
  - The Firm receives or will receive an inducement from a person other than the Client an inducement in relation to a service provided to the Client, in the form of monetary or non-monetary benefits services.
8. **Appendix B: Swiss FINSA**

In addition to the requirements detailed in the Policy and for purposes of compliance with the Swiss Financial Services Act (FinSA), the requirements contained in the "Identification, Management or Prevention" and "Disclosure" sections below are also articulated and shall also apply to the Firm’s regulated Legal Entities providing financial services, as defined in Article 3(c) FINSA and Article 3 (2) and (3) of the Swiss Financial Services Ordinance (FINSO), through a Swiss regulated entity or to Clients in Switzerland served on a cross-border basis (collectively, “FINSA Business”). For the purposes of this Appendix B, the term “Client” shall mean a professional, retail or eligible counterparty to whom FINSA Business is provided.

### 8.1. Identification, Management or Prevention

The requirements detailed in the Policy in respect of the identification, management or prevention of Conflicts shall apply in respect of the Firm’s carrying out FINSA Business.

### 8.2. Disclosure

Each LOB and CF must adopt procedures and controls in order to ensure that, where the Firm is required to do so under the “Conflict of Interest” section of FINSA (Article 25, 26, 27 FINSA and Article 24-30 FINSO), the appropriate disclosure regarding a Conflict is provided to the Client before undertaking (or continuing to undertake) FINSA Business on their behalf.

For FINSA Business, the Firm should not place an over-reliance on disclosure in order to manage Conflicts. Disclosure of Conflicts to Clients is permitted to be used only as a measure of last resort, when the other arrangements that the Firm has put in place to prevent or manage its Conflicts are not sufficient to ensure, with reasonable confidence, that the risk of damage to the interests of the Client will be prevented.

Where disclosure of the Conflict to the Client is both required and permitted, it must be made in a durable medium and must comply with the level of detail and content prescribed under FINSA so that the Client can make an informed decision, including:

- Description of the general nature or sources of Conflicts;
- Description of the risks to the Client that arise as a result of the Conflict and the steps taken to mitigate those risks;
- Clear statement that the organizational and administrative arrangements established by the Firm 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; and
- Description of the Conflict that arises in the provision of FINSA Business.

### 8.3. Impermissible forms of conduct

For purposes of FINSA Business, Art. 27 FINSO provides for the following forms of conduct, which are declared always impermissible and which may already be captured by general principles, but are stated here for transparency reasons and the good order:
a. the restructuring of Client custody accounts with no economic justification in the Client's interest;
b. the exploitation of information, in particular the exploitation of knowledge of Client orders by executing beforehand, in parallel or afterwards identical transactions for the account of staff or the financial service provider;
c. the manipulation of services provided in connection with issues and placements of financial instruments; and
d. the invoicing of a price at variance with the effective closing price when processing Client orders.

8.4. **Asset Management (AM) Implementation**

For the purpose of implementation of the FinSA related changes in this Policy, this Appendix will be applicable to AM from a date to be communicated, but in any case at the latest from January 1, 2022.

Please contact your LOB Legal or LOB Compliance for any questions regarding this Policy or other similar rules.