



**SCOTIABANK (IRELAND) DESIGNATED
ACTIVITY COMPANY
SUMMARY OF THE CONFLICTS OF
INTEREST POLICY
Global Banking & Markets**

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1 INTRODUCTION

Scotiabank (Ireland) Designated Activity Company (“SIDAC”) is regulated by the Central Bank of Ireland (“CBI”).

The Summary of Conflicts of Interest Policy summarises the Conflicts of Interest Policy that applies to SIDAC, part of The Bank of Nova Scotia (“the Bank” or “BNS”).

The CBI requires regulated entities to establish, implement and maintain an effective Conflicts of Interest Policy appropriate to their size and organisation and nature, scale and complexity of their business. In addition, the Markets in Financial Instruments Directive II (“MiFID II”) requires firms to establish and implement a conflicts of interests policy to identify, manage, and mitigate conflicts that may arise in the course of their business activities.

2 SUMMARY OF CONFLICTS OF INTEREST POLICY

SIDAC has measures in place to identify conflicts that may arise between itself and its clients or between one client and another in the course of providing its services or conducting its activities. SIDAC also has measures in place to identify conflicts of interest that may arise as a result of the structure and business activities of other members of the Scotiabank Group.

SIDAC offers a wide range of financial products and services to clients including Corporate Banking, Capital Markets and Debt Capital Markets.

SIDAC acts for entities that are seeking to raise funds in the capital markets and for investors in them. As a result, conflicts may exist between SIDAC and its clients, for example:

- when trading with or for a client, SIDAC may do so using positions in securities held on its own book;
- when SIDAC acts for a client, it may also act for other clients in the same financial instrument or sector of financial instruments;
- when SIDAC participates in a benchmark or other price setting process.

SIDAC recognises that the above list is not exhaustive and that in the normal course of its business, as in any financial institution, other conflicts of interest that are not detailed in the above list may arise. Additional examples of conflicts of interest that are potentially applicable to Scotiabank London are set out in the Appendix to this document.

SIDAC has adopted a number of measures to manage actual or potential conflicts of interest, including employing information barriers to ensure that the flow of information around SIDAC and within the Scotiabank Group is appropriately restricted in the interests of clients. For example, employees engaged in dealing activities with clients have no access to information relating to corporate or investment banking activities. SIDAC has physical, management and organisational structures in place to support the effective functioning of the information barriers to ensure that

information flows are appropriately restricted.

Where SIDAC does not consider that arrangements made by it to manage its conflicts of interest are sufficient to ensure with reasonable confidence that the risk of damage to the interest of a client will be prevented, it may choose to proceed notwithstanding the existence of a conflict but will in such a case clearly disclose the general nature and/or sources of the conflict of interest to the client before undertaking business for or with the client.

2.1 Benchmarks and other Price Setting Processes

SIDAC may use various price benchmarks in the EU for the purpose of facilitating residual client trades in products that may reference the benchmarks. If not managed appropriately, this could lead to conflicts between SIDAC and its clients.

2.2 Investment Recommendations

The Scotiabank Group produces globally branded investment research and non-independent research reports that are distributed in the EU by SIDAC. These publications may include investment recommendations that are subject to the EU Market Abuse Regulation (“MAR”) and the Scotiabank Group makes available appropriate disclosures of any relationship or circumstance that may reasonably be expected to impair the objectivity of the information presented in them, including interests or conflicts of interest of the person producing the investment recommendation, or of a person belonging to the Scotiabank Group, concerning the financial instrument or issuer to whom the investment recommendation, directly or indirectly, relates.

The Scotiabank Group operates effective physical and electronic information barriers between its Research Department and its Sales and Trading and Investment Banking Departments. The Scotiabank Group operates a central Control Room for the management of non-public information and conflicts of interest.

APPENDIX - ADDITIONAL EXAMPLES OF CONFLICTS OF INTEREST

Trading on a Principal Basis: SIDAC undertakes client activities in equities, fixed income, and currencies. For certain asset classes, SIDAC trades on a principal basis which may involve the holding of inventory positions. The need to take principal risk could potentially give rise to a conflict between the interest of SIDAC and those of its clients, if not identified and managed appropriately. SIDAC has in place systems and controls for identifying conflicts, such as monitoring and surveillance.

Misuse of Confidential Information: SIDAC may receive confidential or sensitive information from customers, including issuers, or from other third parties or information about the Bank's own affairs that is not public. In order to safeguard against the misuse of confidential and sensitive information and to manage conflicts of interest, SIDAC uses information barriers to limit the flow of confidential and sensitive information between different business groups.

Use of Connected Parties: When trading with or for a client, SIDAC may do so using connected parties (such as affiliates) within the bank. These arrangements could give rise to potential conflicts of interest where BNS' group interests may be considered more important than providing the best service for clients. The use of connected parties by SIDAC is subject to internal policies designed to manage potential conflicts.

Investment Research: When distributing investment research to a client, SIDAC may also be providing investment banking and corporate finance advice and / or capital markets services to the subject issuer of the research and may hold positions in related securities before or after its publication. SIDAC has in place internal policies and uses information barriers to manage conflicts of interest in relation to research.

Non-Independent Research: When providing clients with marketing communications classified as non-independent research, SIDAC could also be providing investment banking and corporate finance advice and/or capital markets services to the subject issuer of the research and may hold positions in related securities before or after its publication. SIDAC has in place systems and controls to manage conflicts of interest, such as distribution systems with controlled access.

Outside Business Activities: Employees of SIDAC may have outside business activities which could at times conflict with their duty to SIDAC or its clients. SIDAC employees are required to provide an attestation and seek pre-approval prior to undertaking outside business activities.

Personal Trading: Employees of SIDAC may undertake personal trading relating to securities which are also traded on behalf of clients, which could conflict with the interests of the client or could be undertaken on the basis of confidential, inside, or other non-public information. Employees are required to provide an attestation and seek pre-approval prior to undertaking personal trading activities.

Gifts and Entertainment: Employees of SIDAC will on occasion give or receive gifts and/or entertainment to or from clients. Gifts and entertainment are subject to internal policies and related processes such as declaration and pre-clearance.

Product Design and Governance: When manufacturing financial instruments, SIDAC could favour its own interests, for example by including underlying assets it holds on its own account that it wants to dispose of to the detriment of clients. SIDAC has a governance committee and framework for assessing the impact on SIDAC of proposed new business activities to ensure that regulatory requirements, including any pertaining to conflicts of interest, are complied with and appropriate controls are put in place before the commencement of any new business activity.

Remuneration: The setting of SIDAC's remuneration structure could incentivise staff to act in a way which is detrimental to clients. SIDAC's remuneration structure is designed to avoid conflicts of interests with clients and to remove any direct link between the remuneration of employees principally engaged in one activity and remuneration of, or revenues generated by, different employees principally engaged in another activity, where a conflict of interest may arise in relation to those activities.

Pricing or Placing an Offering: When pricing or advising on the placing of an offering, SIDAC could potentially overprice or under-price the offering to the detriment of the issuer client and make recommendations on the placing influenced by existing or future relationships. Furthermore, SIDAC could engage in the placement of financial instruments issued by itself or other entities within The Bank of Nova Scotia Group, to its own clients. If not handled appropriately, the interests of SIDAC and BNS could be preferred to clients.

Allocation: When allocating an offering, SIDAC could be influenced in its decision making by services provided by SIDAC that are not in the best interests of the issuer client or of investor clients.