



## **21X | DLT-Trading and Settlement System**

# **PRINCIPLES FOR MANAGING CONFLICTS OF INTEREST**

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## **1. INTRODUCTION AND PURPOSE**

At 21X AG, we are committed to maintaining the highest standards of integrity, transparency, and accountability in all our business operations.

This Principles for Managing Conflicts of Interest document outlines our approach to identifying, managing, and mitigating conflicts of interest to safeguard the trust of our stakeholders and uphold the reputation of the company.

We recognize that conflicts of interest can arise in various forms, and we are dedicated to addressing them with clarity and fairness. By adhering to these principles, 21X AG ensures that decisions are made in the best interests of the company, free from undue influence or bias.

## **2. SCOPE AND APPLICABILITY**

These Principles apply to all members of the Board of Directors, senior management, employees, contractors, and third parties acting on behalf of 21X AG in relation to any services or activities, including trading venue operation, tokenization, custody, advisory, and post-trade processes.

## **3. POTENTIAL SOURCES OF CONFLICTS OF INTEREST**

Conflicts of interest may arise in situations where 21X AG or its personnel have interests that could impair objective decision-making. Key sources include:

- Economic relationships with issuers paying standardized listing fees (onboarding and annual fees).
- Dual roles as trading venue operator and custodian for the same tokenized assets.
- Personal financial interests of employees in tokenized securities.
- External mandates or advisory relationships with issuers or technology providers.
- Family or related party interests that could influence personnel decisions.

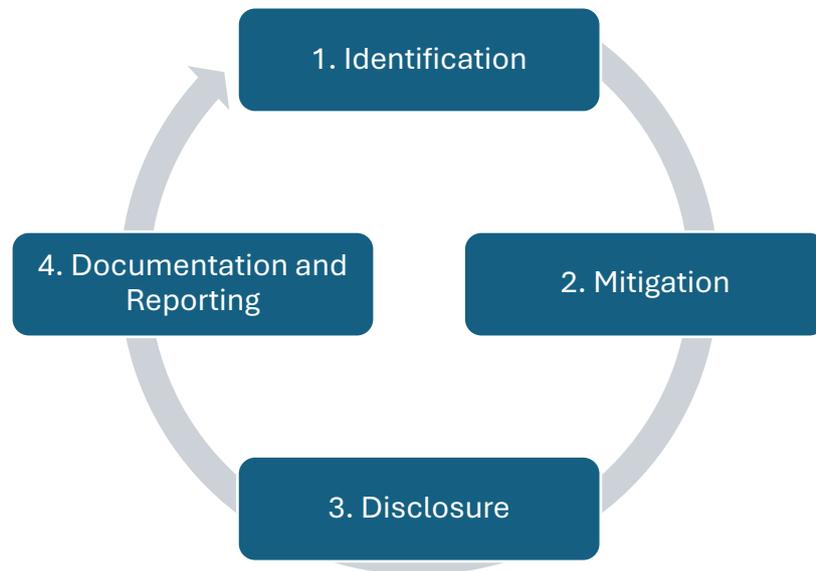
## **4. GENERAL PRINCIPLES AND DUTIES**

All individuals within scope must:

- Act honestly, objectively, and in accordance with applicable laws and highest integrity standards.
- Avoid decisions that benefit personal interests or those of related parties at the expense of clients.
- Refrain from using insider or non-public information for personal gain.
- Promptly disclose any potential conflict to Group Compliance for assessment and approval.

## 5. FRAMEWORK FOR MANAGING CONFLICTS OF INTEREST

21X AG employs a structured framework to manage conflicts of interest, consisting of the following steps:



### 1. IDENTIFICATION

Personnel must proactively identify circumstances that could give rise to conflicts of interest, including:

- During onboarding of new products, services, or partnerships.
- When changes occur in organizational structure or personnel.
- Through periodic reviews by Group Compliance.
- Employees are required to self-report potential conflicts via a secure web-based system.

### 2. MITIGATION MEASURES

To mitigate conflicts, 21X AG implements:

- A central Conflicts of Interest Register updated frequently.
- Organizational separation ('Chinese Walls') between conflicting functions.
- Transparent, publicly available criteria for listing and services.
- Regular compliance training and awareness campaigns.
- Remuneration policy, free from incentive structures that could create conflicts.
- Internal audit and monitoring through a three lines of defence model.

### 3. DISCLOSURE TO CLIENTS

If mitigation measures cannot fully eliminate a conflict of interest, 21X AG will:

- Disclose the nature and source of the conflict to the affected client in clear, plain language.
- Obtain the client's informed consent before proceeding with the service.

Such disclosures are documented and form part of the permanent record.

#### 4. DOCUMENTATION AND REPORTING

All conflicts, assessments, mitigation steps, and disclosures are documented in a central register. This register supports:

- Reporting to senior management, Board and other stakeholder when necessary.
- Disclosure to BaFin and other authorities as required.
- Audit by internal and external parties to ensure compliance and continual improvement.

#### **6. MONITORING, EVALUATION AND CONTINUOUS IMPROVEMENT**

Compliance is responsible for maintaining and overseeing this framework. Responsibilities include:

- Reviewing and updating the Conflict of Interest Register ad hoc or at least annually.
- Conducting training and awareness sessions.
- Advising on specific conflict situations.
- Reporting to the Board and other stakeholder where necessary.