



KOR

Board of Directors Conflicts of Interests Policy

2021-04-01

Table of Contents

1. PURPOSE OF THE BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY	3
2. DEFINITION OF CONFLICT OF INTEREST & EXAMPLES OF POTENTIAL CONFLICTS OF INTEREST	3
3. PROCESS FOR COMMUNICATING, REVIEWING & ADDRESSING CONFLICTS OF INTEREST	5
4. VIOLATIONS OF THE CONFLICT OF INTEREST POLICY	5
5. ANNUAL ACKNOWLEDGEMENT	6
6. PERIODIC REVIEWS.....	6

History

Date	Description of change	Sections Updated
2021-04-01	Original Document	All

Last Review Date

2021-09-01

1. PURPOSE OF THE BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY

In their capacity as directors, the members of the Board of Directors (collectively, the “Board”) of KOR Financial, must at all times act in the best interest of the Company. In general, Board members shall subordinate personal, individual business, third-party and other interests to the welfare and best interests of the Company and its shareholders.

The purpose of this Board of Directors Conflicts of Interest Policy (the “Policy”) is to facilitate the Board’s understanding of what may constitute a Conflict of Interest (*as defined below*), assist the Board in identifying and disclosing in advance of any decision making actual and potential Conflicts of Interest and help ensure the avoidance of Conflicts of Interest where necessary. This Policy is intended to provide guidance with respect to common potential Conflicts of Interest but is not intended to address all possible Conflicts of Interest. Consequently, this Policy is intended to supplement but not replace any applicable laws, regulations, or regulatory rules of the applicable organization(s) governing conflicts of interest. In all instances where a potential conflict arises between this Policy and applicable laws or regulations of the Commodity Futures Trading Commission, Delaware, New York or other jurisdiction or authority, or a Conflict of Interest is not covered by this Policy, the Company will comply with the applicable legal and regulatory requirements.

It is recognized that transactions or conduct may present Conflicts of Interest that are not necessarily inherently improper and may sometimes be unavoidable. It is the manner in which the director and the Board deal with the potential Conflict of Interest that determines the propriety of the transactions and the director’s conduct.

2. DEFINITION OF CONFLICT OF INTEREST & EXAMPLES OF POTENTIAL CONFLICTS OF INTEREST

A “*Conflict of Interest*” can occur when a director’s personal interest interferes in any way with - or may appear to interfere in any way with - the interest of the Company and the ability of the director to impartially vote on the matter pending before the Board. A director’s interest may be direct or indirect through business investment or an “*Immediate Family Member*” (defined as a person’s spouse, domestic partner, parents, stepparents, children, stepchildren, siblings, mothers and fathers-in-law, sons and daughters-in-law and brothers and sisters-in-law and anyone residing in such person’s home (*other than a tenant or employee*)).

The following are examples of potential Conflicts of Interest:

- a. An existing or potential ownership or investment interest in any entity with which the Company has a transaction, contract, or other arrangement.
- b. A compensation arrangement with any entity or individual with which the Company has a transaction, contract, or other arrangement.
- c. An existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Company is negotiating a transaction, contract, or other arrangement.
- d. An existing or potential ownership or investment interest in, or compensation arrangement with, any entity whose business or operation has been or will be directly affected by a decision or action of the Company.
- e. Pending or threatened litigation between the Company and the director – or between the Company and any company, firm, or association with which the director has a material financial interest.
- f. A compensation decision impacting the director individually – not as a member of the overall Board or a particular Committee.
- g. Actual or potential use of confidential information of the Company by a director – or between the Company and any company, firm, or association with which the director has a material financial interest.
- h. A director's business or financial interest (exclusive of less than 5% ownership interest in public company securities) in a vendor, service provider or any other third party dealing with the Company.
- i. The director's engagement in outside employment or activity that competes with the Company's activities or otherwise interferes with the director's obligations to the Company.
- j. The director's actions or interests – such as employment by, or ownership interest in a competitor, supplier, or franchise – may make it difficult for the director to perform obligations to the Company objectively and effectively.

Whether an interest arises to an actual Conflict of Interest may depend on the effect on the individual director, the director's Immediate Family Member or a company or firm in which the

individual has a financial interest and whether such interest or potential impact is significant in light of the director's personal financial condition or the financial condition of the company, firm, or Immediate Family Member.

3. PROCESS FOR COMMUNICATING, REVIEWING & ADDRESSING CONFLICTS OF INTEREST

Any director who believes he or she may have a Conflict of Interest relating to a matter pending before the Board or any Committee must provide written notification to the Chief Compliance Officer, General Counsel and the Chairman and Chief Executive Officer prior to consideration of the matter by the Board or the Committee. The notice should include all relevant material facts to enable the Board or Board Committee, in consultation with the Chief Compliance Officer, General Counsel and outside legal counsel, if necessary, to determine whether a Conflict of Interest exists.

An assessment as to whether the matter is an actual Conflict of Interest is not required if the director abstains from the approval of the pending matter.

In the event the Board or Committee determines the director has a Conflict of Interest or the appearance of a Conflict of Interest, the Board or Committee, after consultation with the General Counsel and outside legal counsel, if necessary, shall determine the appropriate action to be taken. As a general matter, the Company believes it is appropriate for a director to abstain from voting on a matter in which he or she has an actual Conflict of Interest or the appearance of a Conflict of Interest. The recusal from voting shall be mandatory when it is deemed appropriate.

In the event a director abstains because of a Conflict of Interest, the abstention shall be noted in the minutes of the meeting.

In addition to this Policy, directors who serve on any committee established under the Company's rules must also follow the procedure set forth in the applicable Rulebook.

4. Resolution of Potential Conflicts of Interest

KOR may choose to enter into a transaction or other arrangement in which there is an actual or potential conflict of interest only if at a duly held Board meeting a majority of those Directors who have no interest in the transaction or arrangement approve the transaction or arrangement after determining, in good faith and after reasonable inquiry, that:

- a. entering into the transaction or arrangement is in the best interests of KOR, while considering the KOR's mission statement and resources, and the possibility of creating an appearance of impropriety that might impair the confidence in, or the reputation of KOR (even if there is no actual conflict or wrongdoing);
- b. the transaction or arrangement in its entirety, and each of its terms, are fair and reasonable, after consideration of available alternatives;
- c. the transaction or arrangement furthers KOR's mission statement; and
- d. the transaction or arrangement is not prohibited by law or regulation.

5. VIOLATIONS OF THE CONFLICT OF INTEREST POLICY

If the General Counsel has reasonable cause to believe that a director has failed to disclose an actual or potential Conflict of Interest, he or she shall inform the director of the basis for such belief and afford the director an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the director and making such further investigation as may be warranted under the circumstances, the General Counsel determines that the director has failed to disclose an actual or potential Conflict of Interest in violation of this Policy, the General Counsel shall recommend to the Board appropriate corrective action. In the case removal is recommended, the Board Member removal process as defined in the Governance Principals shall be followed.

6. ANNUAL ACKNOWLEDGEMENT

On an annual basis, directors are required to acknowledge that they have read, understand, are in compliance with and agree to abide by this Policy. The failure to acknowledge this Policy will not affect the application of any of its provisions.

7. PERIODIC REVIEWS

The Nominating and Governance Committee shall periodically consider whether and how this Policy should be revised or amended to better meet the Company's objectives.

Appendix A: Exhibits

Regulator	Exhibit #	
CFTC	F-2	Attach as Exhibit F a copy of the conflicts of interest policies and procedures implemented by the Applicant to minimize conflicts of interest in the decision-making process of the swap data repository and to establish a process for the resolution of any such conflicts of interest.
SEC	J-2	Attach as Exhibit J procedures implemented by the applicant to minimize conflicts of interest in the decision-making process of the applicant and to resolve any such conflicts of interest.