

Conducting Business With Integrity And Compliance

Nasdaq's Anti-Financial Crime Program

Introduction

At Nasdaq, our vision is: "We will be the trusted fabric of the world's financial system." Fundamental to achieving that vision is our commitment to ethical business including complying with the letter and spirit of all applicable anti-financial crime (AFC) laws in the jurisdictions where we operate. Our goal is to conduct business only with companies and persons, including customers, suppliers, business partners, and other third parties, who are engaged in legitimate and lawful business activity. In order to achieve that, Nasdaq promotes a culture of ethics, compliance, and integrity across all of its business lines through enterprise-wide governance, leadership, training, data analytics, monitoring and policies and procedures.

Nasdaq's AFC compliance programs relies on the five key pillars:

- **Leadership**

Nasdaq executive leadership plays an active role in ensuring the company's compliance with laws and regulations. Nasdaq's Board of Directors has appointed its Audit and Risk Committee, which is comprised solely of independent directors, to oversee the company's AFC compliance program. The Audit and Risk Committee receives periodic updates on Nasdaq's compliance programs and reviews Nasdaq's Code of Ethics and AFC compliance policies on an annual basis; any policy updates are approved by the Committee and proposed to the Board for adoption. Nasdaq's Compliance Council, chaired by its Chief Legal and Regulatory Officer, serves as the management body responsible for strategic enterprise-wide oversight of the compliance and ethics programs including the AFC compliance programs; under the Compliance Council, Nasdaq maintains an AFC Steering Committee that meets quarterly to review the compliance program. Nasdaq's Senior Deputy General Counsel for Litigation and Global Compliance oversees operational execution of the AFC compliance programs.

- **Risk Assessment**

Nasdaq recognizes that the effectiveness of its compliance program relies on the accurate understanding of risks faced by the business. For that purpose, Nasdaq periodically engages independent parties to conduct assessments of Nasdaq's AFC compliance programs to promote alignment with regulatory and industry standards. It also conducts internal risk assessments to monitor existing risks and identify emerging issues.

- **Standards and Controls**

Nasdaq's compliance with applicable AFC laws and regulations is documented in a set of compliance policies, which are

reviewed on an annual basis to ensure they reflect current regulations and industry practices, address changing risks faced by the business and account for evolution in services and customers offered by Nasdaq. Nasdaq executes a cross-functional, annual policy update process that solicits input from all internal stakeholders impacted by a policy. Policy updates are then developed, reviewed, and approved, in turn, by the Compliance Council, Audit and Risk Committee and Board of Directors. Nasdaq conducts periodic revision of its supporting procedures to AFC policies including due diligence and transaction screening methodology (see additional information below) and implements changes as needed.

▪ **Training and Communication**

All Nasdaq employees, including managers and executives, are responsible for ensuring Nasdaq's compliance with laws and regulations. To support them in fulfilling this obligation, they receive annual training on compliance risk areas, which includes topics such as economic sanctions and trade controls, anti-money laundering, anti-bribery and anti-corruption. Compliance training is reviewed and updated regularly to ensure that it is current, relevant, and effective.

▪ **Monitoring, Audit and Response**

Nasdaq maintains risk-based compliance screening, monitoring, and testing programs that help ensure compliance with applicable AFC laws and regulations. Prospective customers, customers, and suppliers engaged by Nasdaq undergo risk-based due diligence screening prior to, or in conjunction with, entering a business relationship and thereafter throughout its duration. Nasdaq also conducts monitoring and compliance testing of employee expenses and vendor payments to track for any anomalies related to potential violation of anti-bribery and anti-corruption laws.

Nasdaq's SpeakUp! Program provides employees, contractors and others doing business with Nasdaq multiple safe channels for reporting any ethics or compliance concerns including allegations or suspicions of potential violations of AFC laws and regulations. These channels include our SpeakUp! Portal, which provides a secure website and phone numbers for reporting issues anonymously. Nasdaq maintains procedures for investigating any allegation of misconduct and remediating any violations. As set forth in Nasdaq's Code of Ethics, violations of Nasdaq's ethical standards or compliance policies can result in disciplinary action, including financial impacts and termination of employments. Further, senior executives are subject to our Compensation Recoupment Policy which enables the company to clawback incentive payments in the event of certain wrongdoing.



Nasdaq's AFC Compliance Program primarily covers the following key areas:

- Sanctions and Trade Controls
- Anti-Bribery and Anti-Corruption (ABAC)
- Anti-Money Laundering (AML)

Sanctions and Trade Controls

As a business with global operations, Nasdaq and its affiliates worldwide are required to comply with applicable trade control laws, which primarily include economic sanctions and export control laws and regulations, including the US Department of Commerce, Bureau of Industry and Security's ("BIS") Export Administration Regulations ("EAR"), the US Department of the Treasury, Office of Foreign Assets Control's ("OFAC") economic sanctions regulations, and economic sanctions issued by the United Nations, European Union (as implemented by its member states), United Kingdom, and the national governments of the countries in which Nasdaq operates. Nasdaq's compliance with trade control laws is governed by our Trade Controls and Sanctions Compliance Policy. Associates supporting Nasdaq's regulated businesses in the Nordic and Baltic regions of Europe must also comply with the Nordic and Baltic Sanctions Policy.

Nasdaq does not engage in business activities with entities or individuals designated on sanctions and other restricted party lists in violation of any relevant restrictions. Nasdaq conducts risk-based sanctions screening on its customers and suppliers prior to, or at, onboarding and regularly thereafter against a number of sanctions lists, which include but are not limited to:

- Consolidated United Nations Security Council Sanctions List (UN)
- US Department of the Treasury's Office of Foreign Assets Control (OFAC)
- European Union Consolidated List
- Lists from governments of other countries where such lists are legally applicable to Nasdaq's operations.

Business relationships with parties based in jurisdictions subject to comprehensive sanctions or trade embargoes (currently, Cuba, Iran, North Korea, Syria and the Crimea, Donetsk and Luhansk areas of Ukraine) are strictly prohibited.

Under our Trade Control and Sanctions Compliance Policy, all Nasdaq employees are empowered to place a "hold" on any transaction if they have trade control compliance concerns.

Anti-Bribery and Anti-Corruption (ABAC)

Nasdaq has a zero-tolerance policy against bribery and corruption of any kind. Nasdaq is committed to ensuring we conduct our business with ethical companies and uphold the anti-corruption laws and standards in the jurisdictions in which we operate, including the US Foreign Corrupt Practices Act (FCPA) and other relevant US federal and state laws, the UK Bribery Act, and the Organization for Economic Cooperation and Development (OECD) Guidelines/International Chamber of Commerce's Rules of Conduct and Recommendations to Combat Extortion and Bribery.

Nasdaq's Gifts, Entertainment, and Anti-Corruption Policy sets forth our anti-corruption and anti-bribery requirements and expectations for employees, senior leadership and contractors performing services on our behalf. Nasdaq requires all employees complete annual training that covers anti-bribery and anti-corruption compliance and annually certify compliance with our policy. All Nasdaq suppliers are expected to adhere to our Supplier Code of Conduct, which includes anti-corruption obligations.

We provide multiple confidential methods for reporting any suspected violations of our policy or anti-corruption laws. These include our SpeakUp! Portal (described above), which enables anonymous reporting and is available to employees, suppliers or any party doing business with us. As set forth in Nasdaq's Code of Ethics, Nasdaq prohibits retaliation against individuals reporting suspected misconduct. In addition to the proactive measures aimed at preventing bribery and corruption acts, Nasdaq conducts monitoring of employee expenses and vendor payments to track for any anomalies that would indicate potential violation.

Anti-money Laundering (AML)

Nasdaq, Inc. is not considered a "financial institution" under applicable laws relating to anti-money laundering and terrorism financing. For example, under the US law, the definition of "financial institution" in 31 CFR 1010.100(t) does not include securities exchanges or technology, information and other technology services that comprise nearly all of Nasdaq's global business.¹

As a non-financial institution, Nasdaq, Inc. (excluding Nasdaq Central Securities Depository Stock Exchanges (CSD) and Nasdaq's Broker Dealer (NBD)) has voluntarily implemented Global AML Policy to prevent and detect money laundering and to protect Nasdaq and its employees from potential criminal liability, reputational damage, and forfeiture actions.

The Global AML Policy includes a variety of measures designed to protect against the risk of Nasdaq being involved in money laundering and other improper conduct.

- **Risk-based Due Diligence of Customers and Suppliers**

A key measure involves risk-based due diligence of customers and suppliers. In order to protect itself against receiving funds from or otherwise being engaged in business with individuals or entities involved in illegal activity, Nasdaq has adopted a risk-based approach towards conducting due diligence on its prospects, customers, and vendors/suppliers.

Onboarding for all third parties who provide goods and/or services to Nasdaq is conducted in accordance with Nasdaq's Supplier Engagement and Management Policy and related procedures. Following the onboarding, Nasdaq conducts continuous monitoring of all customers and suppliers throughout the duration of the business relationship.

- **Payment Processing Requirements and Procedures**

Another measure involves Nasdaq's payment processing requirements and procedures. In order to protect itself against becoming involved in laundering and other improper conduct, Nasdaq has adopted operational practices and procedures for the Treasury and Accounts Payable/Accounts Receivable functions.

Nasdaq has established specific criteria for the acceptable forms of payment and does not accept cash, travelers' checks, cryptocurrency, or digital assets as a form of payment, unless approved on an exceptional basis. Similar rules apply to payments made by Nasdaq to its suppliers.

With the program described above, Nasdaq has adopted a holistic approach to combatting financial crime, which allows us to exercise compliance in a risk-based manner, rather than a checkbox exercise.

¹ Nasdaq has two small subsidiary entities – Nasdaq Central Securities Depository Stock Exchanges (CSD) and Nasdaq's Broker Dealer (NBD)– which, due to the nature of services they provide, are "financial institutions" under applicable law and, therefore, have affirmative AML and crime prevention obligations. NBD and CSD have AML policies and procedures, including procedures for conducting know-your-customer (KYC) due diligence and record retention consistent with applicable law.